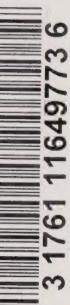


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Ontario, Royal commission inquiry into labour disputes

Hearings

v. 9 January 1967

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ROYAL COMMISSION
INQUIRY INTO LABOUR DISPUTES

563c

HEARINGS HELD AT
TORONTO, ONT.

VOL. NO.

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Toronto, Ontario

IN THE MATTER OF The Public
Inquiries Act, R.S.O. 1960,
Ch. 323

- and -

IN THE MATTER OF an Inquiry
Into Labour Disputes

BEFORE: The Honourable Ivan
C. Rand, Commissioner,
at 123 Edward Street,
Toronto, Ontario, on
Wednesday, January
25th, 1967

E. Marshall Pollock Counsel to the Commission

APPEARANCES:

N.S. Allison International Representative
Oil, Chemical and Atomic
Workers International
Union

George H. Bevan Private Individual

Nethercut & Young Limited, Official Reporters, 48 York
Street, Toronto, Ontario. Per F.J. Nethercut and
R.J. Young.



Toronto, Ontario
Wednesday, 25th
January, 1967

---At 10:00 a.m., the Hearing Commenced

MR. POLLOCK: Oil, Chemical and Atomic
Workers International Union, Mr. N.S. Allison, Inter-
national Representative.

Good-morning, Mr. Allison. Are you in
splendid isolation this morning?

MR. ALLISON: Yes, I am afraid I am
in isolation due to problems beyond our control.

MR. POLLOCK: You are not engaged in
any kind of labour problems, are you?

MR. ALLISON: No.

THE COMMISSIONER: It must be just
the elements.

MR. ALLISON: Just the elements, yes.

THE COMMISSIONER: You should be able
to handle them.

MR. POLLOCK: Mr. Allison, both the
Commissioner and I have read the brief. It is in large
measure confined to the injunction question with
particular emphasis on the ex parte nature. I wonder,
at the outset, whether you could give us a brief outline
of the operation of the Oil, Chemical and Atomic Workers
Union in Ontario in the sense of the size of the
membership, the nature of its local organization, the
sort of locals you have and what type of plants or
industries you are involved with in Ontario.

MR. ALLISON: The Oil, Chemical and



1 Atomic Workers is an International Union. I presume,
2 from your question, that you are interested only in
3 Ontario, as to size of membership, and so on.

4 MR. POLLOCK: Particularly, yes.

5 MR. ALLISON: The overall membership
6 is somewhere in the area of 15 thousand. In Ontario
7 it would be somewhere around 7,000 or 7,500 probably.
8 This would be contained in approximately 20 locals,
9 between 20 and 25 locals. Unfortunately, I do not have
10 specific figures right at my finger-tips this morning.
11 I got **thrown** into this yesterday, so I hope you will
12 bear with me.

13 We operate, primarily, in the oil, petro-
14 chemical and the heavy chemical jurisdiction. We do
15 have such operations as paint plants, small chemical
16 plants, of course, and so on. But the basic jurisdiction
17 is the oil, petro-chemical and heavy chemical industries.

18 MR. POLLOCK: What are heavy chemicals?

19 MR. ALLISON: Say, Dow Chemical, Sarnia,
20 Polymer, operations of this nature - C.I.L.

21 MR. POLLOCK: Are you a certified
22 representative, for example at Polymer?

23 MR. ALLISON: Yes.

24 MR. POLLOCK: This comes under federal
25 jurisdiction?

26 MR. ALLISON: Yes.

27 MR. POLLOCK: Are you largely under
28 federal or provincial jurisdiction?

29 MR. ALLISON: It would be mainly provin-
30 cial jurisdiction. Just off the top of my head, Polymer



1 is the only one I can think of that comes under the
2 Federal Labour Department.

3 MR. POLLOCK: You are involved in the
4 refinery end of the oil and chemical industry?

5 MR. ALLISON: Yes.

6 MR. POLLOCK: You are not certified
7 for garages, filling stations, service stations and so
8 on?

9 MR. ALLISON: We do have a number of
10 bulk plants, marketing terminals, and this includes
11 the driving organizations of various companies.

12 THE COMMISSIONER: Surely an inter-
13 national union is not confined to one province.

14 MR. ALLISON: No.

15 THE COMMISSIONER: You have it all over
16 the Dominion?

17 MR. ALLISON: Yes, right from Halifax
18 to Vancouver.

19 MR. POLLOCK: Are you the only union
20 that is in the jurisdictional area of the refineries?
21 I know that there is another chemical union, the Inter-
22 national Chemical Workers.

23 MR. ALLISON: We are the only union
24 that is organized in the oil refineries, yes. There
25 is conflict of jurisdiction in the chemical section.
26 There is not only the I.C.W., but we also find ourselves
27 occasionally in conflict with District 50 of the United
28 Mine Workers.

29 THE COMMISSIONER: Do you sometimes
30 take in the well drilling?



1 MR. ALLISON: Oh, yes, we claim this
2 jurisdiction and, in fact, right now - in fact I believe
3 it is today there is to be a vote in the tar sands
4 in Alberta for a group of people there. We have always
5 claimed the jurisdiction but, I will be quite honest
6 and admit this is the first time we have driven into
7 it really.

8 MR. POLLOCK: You mentioned that in
9 the distribution areas, the bulk oil plants, you said
10 you also carried the transportation end of that par-
11 ticular industry. Then you are in competition, I assume,
12 with the teamsters.

13 MR. ALLISON: Yes, with the teamsters.
14 Actually, about the only place where we have any overlap
15 would be in the fuel oil delivery sections.

16 THE COMMISSIONER: What about the
17 inter-provincial pipe lines?

18 MR. ALLISON: We claim this jurisdiction.
19 We do not have it exclusively.

20 THE COMMISSIONER: Is there anyone else?

21 MR. ALLISON: No. Outside of Ontario
22 we have a number of gas plants, for instance, in Alberta
23 along with the transmission organization organized in
24 that province. We have not been successful in Ontario,
25 to date.

26 MR. POLLOCK: You, yourself, are based
27 in Ontario, are you?

28 MR. ALLISON: As an individual, yes.

29 MR. POLLOCK: Before we get into the
30 oresentation of your brief, let me set the perspective,



1 at least so far as the figures I have are concerned, in
2 relation to the injunction question, in relation to the
3 chemicals. I note in the years 1958 to 1965, you have
4 had a rather peaceful life in the sense that you have
5 had two strikes in 1960, one strike in 1964 and two
6 in 1965.

7 MR. ALLISON: Yes.

8 MR. POLLOCK: At least, that is what
9 is disclosed by the report from the Department of
10 Labour here. During that period of time, you have been
11 relatively free of injunctions, except last year, or
12 in 1965, when, for some reason - I don't understand
13 why these figures are like this - but you were in two
14 strikes and had five injunctions.

15 MR. ALLISON: I have only personal
16 knowledge of the one, of course. I was assigned, at
17 that time, to one strike in particular.

18 MR. POLLOCK: The only one I know of
19 definitely, in the case of an injunction in 1965, was
20 Union Gas in Lambton. Is that the one you are thinking
21 of?

22 MR. ALLISON: No, I am thinking of the
23 one that British American Oil Company obtained during
24 the oil strike.

25 MR. POLLOCK: Here in Toronto?

26 MR. ALLISON: At Clarkson.

27 MR. POLLOCK: Are you certified for all
28 of the Union Gas enterprises?

29 MR. ALLISON: Not all of them, no.

30 MR. POLLOCK: There were some injunctions



1 granted involving Union Gas in Essex County, Kent County
2 and another one in Lambton County, involving individuals
3 names ~~Gelinas, Joselin~~ and McLaughlin. Do you
4 recognize any of those names?

5 MR. ALLISON: Yes.

6 MR. POLLOCK: That totals up to five,
7 four Union Gas and one B.A. Oil.

8 MR. ALLISON: Yes.

9 MR. POLLOCK: How do you account for
10 the fact that there were more injunctions than there
11 were strikes or is the one strike against B.A. and one
12 strike against Union Gas and everybody in the individual
13 areas got injunctions?

14 MR. ALLISON: There was one strike
15 conducted against British American Oil which was an
16 entirely separate strike than was being conducted against
17 Union Gas. I was not aware - the injunction that
18 British American Oil obtained, so far as I know, was
19 only one injunction. But it named a large number of
20 people. I had assumed that the injunction that Union
21 Gas obtained was of the same nature.

22 MR. POLLOCK: They actually, in fact,
23 became four injunctions.

24 MR. ALLISON: Against separate individuals?

25 MR. POLLOCK: Yes.

26 MR. ALLISON: I was not aware of this
27 because they both happened at approximately the same time
28 and I was directly involved with one and consequently,
29 did not take other than just a general interest in the
30 other.



1 MR. POLLOCK: You were directly involved
2 in B.A.?

3 MR. ALLISON: Yes.

4 MR. POLLOCK: Well, perhaps we can get
5 on to a discussion of B.A., after we have dealt with
6 the particulars of your brief. I must say that, in
7 large measure, it is a compilation of things that were
8 said by the now Mr. Justice Laskin in 1937 in the
9 Canadian Bar Review article and just recently said by
10 Mr. Osler, at the National Conference of Labour Legisla-
11 tion. I assume that you adopt all these principles
12 that you set out in here by quotation?

13 MR. ALLISON: Yes.

14 MR. POLLOCK: So, for the purpose of
15 this Hearing, we are going to treat them as your own
16 in the sense that if you can justify them or explain
17 them, we will put that onus on you.

18 It is a relatively short brief of 8 pages.
19 If you feel better reading it, I know that you are fresh
20 into it, or you can summarize it to some extent if you
21 wish and then we can get on to a discussion of the
22 particular aspects.

23 MR. ALLISON: Well, I would like to
24 attempt, I think, to summarize it and I would feel a
25 little more comfortable going about it that way.

26 MR. POLLOCK: Fine.

27 MR. ALLISON: To start out with, as you
28 point out, the brief is essentially a compilation of
29 points of views that have been offered by certain indi-
30 viduals. We happen to subscribe to the points of view



1 and this is, I assume, why they have been used. I think
2 to simply generally sum up the position, we believe
3 that workers should have the right to strike and, of
4 course, to picket and we feel that this right should
5 not be diluted by the use of ex parte injunctions.

6 Finally, of course, we believe that the
7 employer should not have the right, or should be pro-
8 hibited from using strike breakers during the course of
9 a legal strike. If I could digress just a little bit
10 away from what is actually contained in the brief, I
11 would like to suggest to you that, nowadays, we don't
12 find too many people who seriously challenge the right
13 of a worker to organize for the purposes of collective
14 bargaining. In fact we say, quite specifically, that
15 he has the right to do this. If we agree on this theory
16 that he has the right to organize for the purposes of
17 collective bargaining, then I find it very difficult to
18 accept the logic that says somewhere along the line,
19 that this right then has to be inhibited; in other words,
20 that he is going to be prevented from using the total
21 strength that organization would afford him and I suggest

22 THE COMMISSIONER: Well, I suppose it
23 depends upon the scope which you give to the interpreta-
24 tion of that. Can you analyse it and say what are the
25 limits because there are limits to all rights?

26 MR. ALLISON: I am not too sure --

27 THE COMMISSIONER: On the picket line,
28 what do you think you ought to be able to do?

29 MR. ALLISON: I do not approve of violence
30 on the picket line. I very definitely oppose it. Any



1 strike that I have been involved in, I make a very
2 strong point of this. I think that it is improper,
3 certainly is a violation of our criminal code and, in
4 my judgment, does very little, or contributes very little
5 to the winning of a strike.

6 MR. POLLOCK: It does occur, though,
7 does it, in your experience?

8 MR. ALLISON: I have seen examples of
9 it, yes, but it has not occurred with any collusion on
10 the part of the leadership of our union, at any time
11 that I am aware of. I can take a reverse example in a
12 situation that we had this summer where there was some
13 violence on a picket line in Kingston. It occurred
14 when people, who had been going back and forth across
15 the picket line by bus, one evening got off the bus and
16 attacked our people. Unfortunately, our people ended
17 up with the charges laid against them, and so on. But
18 I think that a person has the right to defend himself
19 if he is attacked. This is only natural

20 MR. POLLOCK: Why, in that circumstance,
21 do you think they were attacked?

22 MR. ALLISON: The people were on the
23 bus. There was no reason for them to be off the bus

24 MR. POLLOCK: Was there anything said,
25 or anything done, or anything to provoke this type of
26 attack?

27 MR. ALLISON: I suspect that they were,
28 in the normal fashion, referred to as scabs, et cetera,
29 but this is something, I think, that a person who crosses
30 a picket line has to anticipate. Be it right, wrong



1 or indifferent, this does happen and I think, as I say,
2 that a person who crosses a picket line should normally
3 expect this is going to happen to him.

4 MR. POLLOCK: They must have a pretty
5 thick skin, in other words, to cross a picket line?

6 MR. ALLISON: I would suggest so.

7 THE COMMISSIONER: I was wondering
8 whether the strike breakers were professional strike
9 breakers or were they people who really wanted to work?

10 MR. ALLISON: Some of them we know were
11 university students.

12 THE COMMISSIONER: How long would they
13 work -- it would be temporary?

14 MR. ALLISON: While the strike was on.

15 THE COMMISSIONER: Well, how long was
16 that, in fact?

17 MR. ALLISON: The strike went on for
18 12 or 13 weeks. Precisely how long these people were
19 in the plant, I don't know.

20 THE COMMISSIONER: What hours would they
21 be on the picket line -- in the daytime or the evening?

22 MR. ALLISON: Ordinarily, in a strike,
23 you would picket right around the clock.

24 MR. POLLOCK: A three-shift operation?

25 MR. ALLISON: Yes.

26 THE COMMISSIONER: I am speaking about
27 the university boys.

28 MR. ALLISON: They were crossing the
29 line, going into the plant to work.

30 THE COMMISSIONER: That is what I say:



1 what hours would they be working -- ordinary day hours?

2 Was this during the vacation?

3 MR. ALLISON: Yes.

4 THE COMMISSIONER: Oh, I see. Well,
5 they were earning some money, I suppose, to help them
6 continue at university.

7 MR. ALLISON: I think you realize though,
8 sir, that to a member of a union who is out on strike,
9 he takes strong exception to this.

10 THE COMMISSIONER: Yes, I was just
11 looking at it from the point of view of the man who
12 went through the line to work.

13 MR. POLLOCK: Did any of your original
14 members cross the line?

15 MR. ALLISON: Five.

16 MR. POLLOCK: Out of how many?

17 MR. ALLISON: Close to 800 -- 780.

18 MR. POLLOCK: So, in fact, by the
19 definition we are using, you had 5 scabs and the rest
20 were strike breakers?

21 MR. ALLISON: Yes.

22 THE COMMISSIONER: How many would there
23 be of the latter?

24 MR. ALLISON: I would hesitate to state
25 a figure on that. Again -- and I should have made this
26 statement at the outset -- I was not directly involved
27 in this strike. This was reported to me by one of our
28 representatives.

29 THE COMMISSIONER: This was a B.C. strike?

30 MR. ALLISON: No, Kingston. It was the



1 C.I.L. -- the Millhaven plant just outside Kingston.

2 THE COMMISSIONER: That is a very large
3 population of workers -- 800?

4 MR. ALLISON: Yes, it is one of our
5 bigger plants.

6 THE COMMISSIONER: To what extent did
7 the work carry on?

8 MR. ALLISON: Well, our opinion was that
9 there was not too much work actually carried on, produc-
10 tive work. Our opinion was that the activities were
11 directed mainly to giving the appearance that productive
12 work was being carried on.

13 THE COMMISSIONER: What was the end of
14 that strike?

15 MR. ALLISON: It was settled, I suppose,
16 depending on who you talk to ---

17 THE COMMISSIONER: Take your own judgment

18 MR. ALLISON: We believe we won the
19 strike.

20 THE COMMISSIONER: Did the university
21 students continue until the end? Was it all in the
22 summertime?

23 MR. ALLISON: Oh, yes, the strike was
24 concluded early in September. I would think, quite
25 likely, the students would have been starting back to
26 university almost at the same time as the strike was
27 ended.

28 THE COMMISSIONER: And all of your men
29 went back?

30 MR. ALLISON: Yes.



1 MR. POLLOCK: Notwithstanding the
2 violence on the line, there was no injunction?

3 MR. ALLISON: No, there was not an
4 injunction. I don't even know if there was one applied
5 for. I think there wasn't.

6 MR. POLLOCK: What type of picketing
7 did you participate in -- was it a token force -- how
8 many men? First of all, how big a plant was it and how
9 many gates did they have?

10 MR. ALLISON: Now you are asking me
11 for information that I cannot specifically give you
12 without the chance of considerable error. Generally,
13 I think it could be said that we attempt to maintain
14 fairly substantial picket lines.

15 MR. POLLOCK: How many is that?

16 MR. ALLISON: This would vary with the
17 number of people in the plant -- you know, the number
18 of picketers that you would have available.

19 MR. POLLOCK: Is there any difference
20 between this vague term of "mass picketing" and fairly
21 substantial picketing?

22 MR. ALLISON: I would regard mass picket-
23 ing as something different from substantial picketing.

24 MR. POLLOCK: What is the difference?

25 MR. ALLISON: I would suggest, for
26 instance, that substantial picketing would be where you
27 divide your strikers up into groups, utilize your entire
28 number of strikers on the picket line on shifts.

29 MR. POLLOCK: But at any one time, how
30 many pickets would you have -- I don't know whether there



1 is such a thing as an average case -- but in an average
2 case?

3 MR. ALLISON: Let me give you an example
4 with which I am more familiar. For instance, the strike
5 at Sterling Drug in Aurora this summer was going on at
6 the same time as the strike with C.I.L., in Kingston.
7 Here we had approximately 200 people, give or take one
8 or two; it was very close to the 200. After we had
9 extracted the necessary people for the executive and
10 so on, we then divided the people up into groups. During
11 the daylight hours we maintained a heavier picket line
12 than we did after dark. This was influenced by a couple
13 of things: We had roughly 50 per cent women members
14 and we did not feel we wanted to have women on the picket
15 line after dark. So, mainly these women were assigned
16 to two shifts in the daylight hours, and if I recall
17 correctly, I think there were approximately 25 to 27
18 people on each shift during the daylight hours. At
19 night we had this broken down again amongst the men,
20 and from, say, 6:00 o'clock until midnight, or 1:00
21 o'clock, we would probably have about a dozen people,
22 and then a slightly smaller number, 8 or 10, from then
23 until morning.

24 THE COMMISSIONER: Were all of these
25 pickets from among strikers?

26 MR. ALLISON: Yes, they were all members
27 of the union.

28 THE COMMISSIONER: All members of the
29 union and working at that plant?

30 MR. ALLISON: Yes. Perhaps to give you



1 the example I am thinking of in regard to "substantial"
2 as compared to a "mass picket line", we did, on a couple
3 of occasions, in order to indicate support for the strike,
4 suggest to our local unions, all our own in particular,
5 and then, of course, other affiliates of the O.F.L., and
6 so on, if they would send a number of people to simply
7 march on the picket line for a short period of time to
8 demonstrate their support for the strikers of Sterling
9 Drug. I think the record will show quite clearly that
10 we were successful. We always insisted that there were
11 certain policies that had to be conformed with: They
12 were not to be wandering all over the streets, they were
13 not to interfere with the traffic, they were not to
14 interfere with pedestrians, et cetera. Generally, these
15 were held at times where there was less opportunity for
16 interference.

17 THE COMMISSIONER: About how many would
18 there be of those?

19 MR. ALLISON: I think the most there
20 would be would be 300.

21 THE COMMISSIONER: What about the police:
22 Were they in evidence all the time?

23 MR. ALLISON: No.

24 THE COMMISSIONER: What is your experience
25 on the relation of the police force to the community
26 such as you are describing?

27 MR. ALLISON: We had no problems in
28 this regard in the strike in Aurora at all.

29 THE COMMISSIONER: What is the population
30 of Aurora?



1 MR. ALLISON: I think it is 9,000 or
2 10,000 -- in this area. We had no problems with the
3 police in this strike whatsoever. There were a couple
4 of occasions when they came to the strike headquarters
5 and suggested to us that there was certain action we should
6 take.

7 THE COMMISSIONER: Who came?

8 MR. ALLISON: The police.

9 THE COMMISSIONER: To you?

10 MR. ALLISON: Yes, and made certain
11 suggestions because they had received complaints of this,
12 that and the other thing and we should take action to
13 remedy the situation.

14 THE COMMISSIONER: But you considered
15 their relation to you was a proper one?

16 MR. ALLISON: Yes, I have no quarrel with
17 the attitude they displayed or any action they took in
18 that particular strike.

19 THE COMMISSIONER: Was that characteristic
20 or exceptional?

21 MR. ALLISON: In my experience, I would
22 say it is an exception. To go back to the British
23 American strike, for instance, eternally there seemed to
24 be an inordinate number of police around.

25 THE COMMISSIONER: What place was that?

26 MR. ALLISON: This was in Clarkson, just
27 west of Toronto.

28 THE COMMISSIONER: How many police would
29 there be in number, approximately?

30 MR. ALLISON: It varied all the way from



1 1 to -- on one occasion I counted as high as 17 or 16.

2 THE COMMISSIONER: What was the actual
3 condition that called for that increase -- the alleged
4 condition?

5 MR. ALLISON: The time that I counted
6 the most was, of course, after one period where we had
7 done something I have just described in the Town of
8 Aurora, where there had been an invitation for a demon-
9 stration of support of the strikers. I would hesitate
10 to guess the number. It was in the winter time and you
11 can appreciate it gets dark early in the evening.

12 THE COMMISSIONER: Take Clarkson: I
13 understood you to say they were in greater evidence there
14 than in Aurora?

15 MR. ALLISON: Yes.

16 THE COMMISSIONER: What would be the
17 occasion when you state they were rather numerous? For
18 what reason? Were the conditions different from those
19 in Aurora?

20 MR. ALLISON: The picket line was much
21 more vocal at Clarkson. There is no question about this,
22 that they were much more vocal than the picket line at
23 Aurora.

24 MR. POLLOCK: I assume the reason for
25 that was that at Aurora you were having greater success
26 against the company than you were against B.A.

27 MR. ALLISON: This is absolutely true.
28 The fact is that at B.A., the refinery was operating.
29 There were upwards of 300 people going through that
30 picket line every day.



1 THE COMMISSIONER: Of that number, how
2 many were strike breakers brought in from outside --
3 approximately?

4 MR. ALLISON: I would think in terms of
5 what I know of the supervisory staff in the plant that
6 it would have to be somewhere in the area of at least
7 50 per cent.

8 MR. POLLOCK: Was it the whole plant that
9 went out on strike -- are you certified for the plant
10 as a whole unit?

11 MR. ALLISON: Yes, the maintenance and
12 production workers were out on strike.

13 MR. POLLOCK: How many employees altogether?

14 MR. ALLISON: 370.

15 MR. POLLOCK: That is in your unit. That
16 is not including the supervisory personnel?

17 MR. ALLISON: No, this is simply the
18 bargaining people.

19 MR. POLLOCK: How many people, when they
20 were back at full production, were they using to operate
21 the plant?

22 MR. ALLISON: You mean during the strike?

23 MR. POLLOCK: Yes.

24 MR. ALLISON: I can recall, on the basis
25 of the check of the cars going through the picket line,
26 estimating that there was well in excess of 400 people
27 in the plant.

28 MR. POLLOCK: Well, they have gained 30
29 on the unit.

30 MR. ALLISON: There were in excess of 400.



1 There were people living in the plant and it would be
2 difficult to get an exact determination of them, but on
3 the basis of the car check, we estimated there was, at
4 one point, well in excess of 400 people.

5 MR. POLLOCK: How many at the time of
6 your strike were in the plant, in excess of those in your
7 unit?

8 MR. ALLISON: You mean the total work
9 force, including supervision, et cetera?

10 MR. POLLOCK: Yes.

11 MR. ALLISON: Oh, in the area of 600 total
12 - wait a minute, just over 500, say 510.

13 MR. POLLOCK: So, by my lightning arith-
14 metic, they were operating with approximately 110 less
15 people than they were during ordinary, normal production?

16 MR. ALLISON: Yes.

17 MR. POLLOCK: I suppose, from what I
18 have read, that the reason for this was that the plant
19 is highly automated?

20 MR. ALLISON: Yes. This, you see, is a
21 point that I wanted to bring up and, perhaps this is as
22 good a point as any to refer to it. You see, here again
23 we run into what we consider to be an erosion of bargain-
24 ing rights because of this factor of automation.

25 THE COMMISSIONER: In what way, do you
26 say?

27 MR. ALLISON: Well, where the employer
28 himself pushes the button and turns the valves and so on.

29 THE COMMISSIONER: Taking people out of
30 their normal job to fill your role?



1 MR. ALLISON: Yes. It makes it much
2 easier for him to take these people out of their normal
3 duties and assign them to the normal bargaining unit
4 work. The employer knows this even during the early
5 stages of negotiation and I suggest to you that it en-
6 hances his position at the bargaining table.

7 THE COMMISSIONER: Were they ever engaged
8 in educating the staff to operate levers and one thing
9 and another?

10 MR. ALLISON: Oh, yes, for a variety of
11 reasons they have a training program as new people come
12 into the refinery to fill the technical ranks, supervisory
13 ranks, et cetera.

14 THE COMMISSIONER: But, take their office
15 employees, are they in any way introduced to operations?

16 MR. ALLISON: In this particular circum-
17 stance, I have no knowledge that they were but I am
18 advised that in some plants they are. In this particular
19 circumstance I don't have knowledge that they were trained
20 beforehand, but there was a nucleus of people which,
21 for a variety of reasons, had been previously trained
22 and were capable -- in fact, to describe precisely the
23 situation that was happening, we had set the strike
24 deadline, which was to be on September the 15th at midnight.
25 At 6:00 o'clock on September the 15th, the person in
26 charge of the unit, the operator, was simply tapped on
27 the shoulder by a supervisor and handed a notice that
28 he was hereby relieved of all responsibility and that he
29 was to leave the plant immediately and the people just
30 simply came in and took over the unit.



1 THE COMMISSIONER: You mean they had
2 made arrangements for all this beforehand?

3 MR. ALLISON: This strategy had all been
4 very well planned well in advance.

5 THE COMMISSIONER: Where did the other
6 workers come from?

7 MR. ALLISON: They came mostly from other
8 B.A. plants across the country. They shut down all of
9 their refineries with the exception of this one in
10 Clarkson and, of course, the one in Montreal is not
11 organized.

12 THE COMMISSIONER: How many would be
13 shut down?

14 MR. ALLISON: There were five shut down.

15 THE COMMISSIONER: The five out of six
16 in that district?

17 MR. ALLISON: No, this is clear across
18 Canada. There were five out of six shut down.

19 THE COMMISSIONER: From other provinces?

20 MR. ALLISON: Yes, they were brought
21 in from other provinces.

22 THE COMMISSIONER: Well, their total
23 production must have been certainly reduced substantially.

24 MR. ALLISON: Oh, of course.

25 THE COMMISSIONER: They had yours but
26 there were five closed?

27 MR. ALLISON: There was no question
28 that their production was reduced, yes.

29 THE COMMISSIONER: What did they bring
30 in, was it about 350 people?



1 MR. ALLISON: It would be 300 people at
2 least who would be brought in.

3 THE COMMISSIONER: How many of these
4 lived in the plant?

5 MR. ALLISON: This would be very difficult
6 to determine.

7 THE COMMISSIONER: Why would they not
8 all live in if they were under similar conditions?

9 MR. ALLISON: Initially they did, but
10 then as the strike proceeded, they began granting passes
11 and eventually it got to the point where the majority of
12 them were going back and forth through the picket line.

13 MR. POLLOCK: Who was granting passes?

14 MR. ALLISON: Maybe I shouldn't have used
15 the word "passes". The union never, at any time, is going
16 to agree to somebody crossing a picket line. The company
17 decided for whatever reasons, that these people would be
18 permitted to come and go when they had finished their
19 shift in the plant.

20 MR. POLLOCK: They were all supervisory
21 level from other plants, were they? Or were there some
22 working stiff, if you still use that term?

23 MR. ALLISON: There were a large number
24 of working stiff.

25 THE COMMISSIONER: And those from other
26 plants, were they unionists?

27 MR. ALLISON: There were some unionists,
28 particularly from the building trades.

29 THE COMMISSIONER: What was your reaction
30 to unionists entering the plant as a union member?



1 MR. ALLISON: Well, the reaction was one
2 of extreme anger. I think that would be the politest
3 way I could describe it.

4 THE COMMISSIONER: Yes, I would think so.

5 MR. ALLISON: As to the activities that
6 this anger generated, I would say it was nothing more
7 than vocal. We told them in no uncertain terms, of
8 course, what we considered them to be by this activity
9 of crossing the picket line.

10 THE COMMISSIONER: Would they be compelled
11 to act that way? I assume that they had an agreement,
12 say, in Manitoba with the same company. Did that agree-
13 ment make any provision for being sent to break a strike
14 outside of the province?

15 MR. ALLISON: They have an agreement -
16 let me back up a bit. In a lot of these plants we have
17 what is known as contract maintenance to one degree or
18 another. It varies all of the way from all of the main-
19 tenance being contracted out to just small specific jobs
20 which almost come under the heading of new construction.
21 In this particular plant there is a sizable amount of
22 the maintenance work contracted out. The contractor
23 who does it has agreements with the various building
24 trades unions.

25 THE COMMISSIONER: What sort of work
26 would that be?

27 MR. ALLISON: Renovation, repair.

28 THE COMMISSIONER: Within the plant?

29 MR. ALLISON: Within the plant.

30 THE COMMISSIONER: Carpenters?



1 MR. ALLISON: Mostly it was welders,
2 pipe fitters, boilermakers, ironworkers.

3 THE COMMISSIONER: Would there be any
4 number of those permanently in that plant?

5 MR. ALLISON: Yes, there would be.

6 THE COMMISSIONER: On a daily basis?

7 MR. ALLISON: On a daily basis, prior
8 to the strike, there is probably on the average of 30
9 to 35 of them.

10 MR. POLLOCK: 30 to 35 maintenance
11 workers?

12 MR. ALLISON: On the average. This is
13 contract maintenance workers I am talking about, as
14 opposed to regular employees of the company.

15 MR. POLLOCK: In the 400 plus that you
16 had in the unit of maintenance and production workers,
17 what number were maintenance workers and what number were
18 production workers?

19 MR. ALLISON: Oh, upward of 100, I would
20 say.

21 MR. POLLOCK: 100 maintenance and 300
22 production?

23 MR. ALLISON: Well, there is quite a
24 large staff of laboratory people there too. I don't
25 know whether you want to lump them in with maintenance.

26 MR. POLLOCK: Well, let us have them too.
27 How many laboratory people were there?

28 MR. ALLISON: 40 and the balance would
29 be productive.

30 MR. POLLOCK: So that in addition to



1 these 100 maintenance workers on the staff, they had
2 30 or 40 additional people on a contract basis?

3 MR. ALLISON: Yes.

4 THE COMMISSIONER: What would be the
5 distinction of the work between the contract workers and
6 the permanent repair men?

7 MR. ALLISON: Well, the argument that
8 the company always puts forth is that in the oil refinery
9 you have what amounts to cycles where there is a large
10 work load, it drops off for a period and then returns.
11 For purposes of stability, they suggested that it would
12 be better to have this contract work force that could
13 come and go as they are required.

14 THE COMMISSIONER: That is not permanent?

15 MR. ALLISON: Except that, as I say,
16 on an average I would suggest that for quite some period
17 of time there had been continually, day after day, 5 days
18 a week, an average of about 35 of these people in there.

19 THE COMMISSIONER: Not necessarily the
20 same people?

21 MR. ALLISON: Generally it would be.

22 THE COMMISSIONER: Generally the same?

23 MR. ALLISON: Yes.

24 MR. POLLOCK: They were employed by
25 another firm?

26 MR. ALLISON: A contractor. Then, of
27 course, this swelled considerably when the strike took
28 place.

29 MR. POLLOCK: This swelled to eat up
30 part of those 100 maintenance employees?



1 MR. ALLISON: To provide the maintenance
2 that our people had been providing.

3 THE COMMISSIONER: Were they organized
4 under the sub-contractor?

5 MR. ALLISON: Yes.

6 THE COMMISSIONER: They disregarded the
7 picket line?

8 MR. ALLISON: Yes.

9 THE COMMISSIONER: You have contemplated
10 that and you have made reflections on it. Would you
11 mind telling me how that is reconciled with the idea of
12 unionism? What is there that persuades men to do that?

13 MR. ALLISON: Well, with the legislation
14 that exists today the local union has an agreement with
15 an employer. There is only a certain time when he is
16 legally free to withdraw his labour. Under the circum-
17 stances that exist where you have 2 or 3 or whatever
18 number of unions in a plant, and one of them goes on
19 strike, I think that you would find that the employer
20 would say that the people who refuse to cross a picket
21 line were in the process of conducting an illegal strike.

22 THE COMMISSIONER: That is to say, if
23 you have a plant in the western part of the province,
24 say Sarnia, and another one in Ottawa, the same employer
25 and the same union, do you mean the contract in each case
26 will allow the transfer of those men from one city to
27 the other and require them to follow that direction?

28 MR. ALLISON: Yes, if they had different
29 termination dates --

30 THE COMMISSIONER: Isn't the agreement



1 related to the particular plant?

2 MR. ALLISON: Yes.

3 THE COMMISSIONER: Then, if that is so,
4 how can they say "We want you to go to work at another
5 plant under this same agreement"?

6 MR. ALLISON: It would not be under the
7 same agreement.

8 THE COMMISSIONER: Do you mean to say
9 they would transfer them to the agreement, say, in Ottawa.

10 MR. POLLOCK: I think what Mr. Allison
11 is saying here is that in the maintenance employees --

12 THE COMMISSIONER: I am dealing with
13 permanent employees.

14 MR. POLLOCK: There are two groups. There
15 are the group of maintenance employees and the production
16 group.

17 THE COMMISSIONER: Well, take the pro-
18 duction group.

19 MR. ALLISON: To take your example of a
20 plant in Sarnia and a plant in Ottawa, both organized
21 under the same union, with two separate agreements, with
22 different termination dates, assume for a minute that
23 the plant in Sarnia is on a legal strike for whatever the
24 reason might be. There is then nothing that I can see
25 that would prevent an employer from saying to his employees
26 in Ottawa "We are about to transfer all of you down to
27 take over this plant that is on strike in Sarnia".

28 Now, if the employee refuses, or let us
29 say that they refuse en masse, I could only describe this
30 as a strike situation.



1 THE COMMISSIONER: But what about their
2 contract? Their contract isn't to work in Sarnia, it
3 is to work in Ottawa, isn't it?

4 MR. ALLISON: Well, regardless of this --

5 THE COMMISSIONER: I wouldn't say regard-
6 less at all. If you decided to work in Ottawa that doesn't
7 mean I can order you to work in Honolulu.

8 MR. ALLISON: I don't know of any agree-
9 ment that would prohibit it, sir.

10 THE COMMISSIONER: It is the nature of
11 your contract of employment. I employ you to work here
12 and then tomorrow I say "I want you to go away out to
13 Manitoba to work under this contract of employment".

14 MR. ALLISON: All right, with the excep-
15 tion of whatever protection I have under the seniority
16 provisions of that agreement, I either go to Honolulu or
17 wherever, or I will be subject to whatever disciplinary
18 action the employer sees fit to take.

19 THE COMMISSIONER: That is your conception
20 of the nature of the contract?

21 MR. ALLISON: Well, there is no other
22 that I know of, sir.

23 THE COMMISSIONER: I think I have a dim
24 perception of another, but it may not be the reality of
25 the thing.

26 MR. ALLISON: What I think you are suggest-
27 ing would possibly be very desirable but at this point
28 of time, it doesn't exist.

29 THE COMMISSIONER: You don't respect
30 anything except the interpretation you have given to it,



1 that they are bound to work for that employer wherever
2 he needs them?

3 MR. ALLISON: There is just nothing to
4 prohibit it, this is the point.

5 THE COMMISSIONER: Just answer my
6 question: That is your view that they are bound to
7 work for that employer wherever he tells them to go?

8 MR. ALLISON: Yes, under the setup that
9 exists today, yes.

10 MR. POLLOCK: Is there a transfer clause
11 in your agreement?

12 MR. ALLISON: In some of them we do have,
13 yes.

14 MR. POLLOCK: And those that don't have
15 a transfer clause, the option is if the company says,
16 "I want you to go to some other place or you are fired"
17 do you think that is just cause for termination?

18 MR. ALLISON: No, I don't think it is.

19 MR. POLLOCK: Do you think the fellow
20 would be terminated or disciplined for not accepting a
21 transfer if he went to arbitration?

22 MR. ALLISON: Yes, I think he would.

23 MR. POLLOCK: And do you think it would
24 be upheld?

25 MR. ALLISON: Yes.

26 THE COMMISSIONER: You did not mention
27 to me that you had a provision in the contract for
28 transfer.

29 MR. ALLISON: Well, any provisions that
30 we do have for transfer are strictly of a job-security



1 nature. In other words, if there is a reduction of
2 work in this plant ---

3 THE COMMISSIONER: That is for the
4 benefit of the worker.

5 MR. ALLISON: For the benefit of the
6 worker he may be able to exercise some part of his
7 seniority in another plant, if there is a job available
8 for him.

9 THE COMMISSIONER: That is for another
10 purpose altogether.

11 MR. ALLISON: Yes, that is for another
12 purpose altogether.

13 MR. POLLOCK: I am interested in these
14 maintenance people. I assume it worked this way, that
15 your 100 maintenance men went off the job; these other
16 maintenance contractors beefed up their staff and moved
17 them into the job.

18 MR. ALLISON: Yes.

19 MR. POLLOCK: Is there a general affilia-
20 tion of unions around Clarkson -- are you associated
21 with the Toronto and District?

22 MR. ALLISON: There is the Oakville and
23 District Labour Council there.

24 MR. POLLOCK: You are both members of
25 the same ---

26 MR. ALLISON: The building trades unions
27 we refer to specifically in this case were not affiliated
28 to the Oakville & District Labour Council. They were
29 affiliated, I believe, to the Toronto & District Labour
30 Council. The basic point here, in this, is actually the



1 erosion of the bargaining power of the people in the plant,
2 in these automated plants; that the employer has a
3 tremendous advantage where he can operate the plant and
4 by some other means bring in other people to do his
5 maintenance work and so on, for him. I think we have
6 an outstanding example of the tragic results of this in
7 the typographers' strike in Toronto where the employer
8 was able to do precisely this.

9 MR. POLLOCK: Are you saying that your
10 craft is becoming obsolete? That is probably one of the
11 realities of the printing trades. Are you saying that
12 you do not need 300 employees in your production end of
13 it to produce?

14 MR. ALLISON: No, I am not suggesting
15 this. The people who were there were fully employed.
16 There is no question about this. But, the highly auto-
17 mated feature of a plant makes it much easier for the
18 employer to take over with his supervisory staff and
19 whatever types and bodies he can drag into the plant.

20 THE COMMISSIONER: Yes, but take the
21 other question of bringing in workers with similar skills
22 from other plants; has that ever been the subject of
23 a claim on your part to strike out, to prohibit? Have
24 you ever considered that question in the negotiating of
25 your contract?

26 MR. ALLISON: It would serve no particu-
27 larly useful purpose in the circumstances of the strike,
28 because at this point you do not have a collective
29 agreement with the company.

30 THE COMMISSIONER: No, you don't. Oh, I



1 see, you say when a collective agreement ends, all these
2 terms vanish?

3 MR. ALLISON: Yes.

4 THE COMMISSIONER: Well, you could easily
5 provide that they would not vanish. Have you ever
6 attempted to say that they would continue?

7 MR. POLLOCK: I don't think you can
8 change the working conditions during that period of
9 time.

10 THE COMMISSIONER: No, but when you are
11 negotiating: today you are negotiating a new agreement
12 and you have found out that a strike of two years ago
13 was destroyed because they brought people in from outside,
14 from their own plants. Now, I thought you would have
15 said "We want you to say that you will not order us to
16 break a strike in another plant". You might not get it,
17 but did you ever raise the question?

18 MR. ALLISON: Let me see if I understand
19 this: Are you saying we should negotiate into an agree-
20 ment a provision that if I am working in a given plant
21 and there is a strike in another, that I must not be
22 transferred for the purposes of strike breaking?

23 THE COMMISSIONER: Have you ever endeav-
24 oured to obtain a clause to that effect?

25 MR. ALLISON: No, we have not. For one
26 thing, we have in the oil industry, pretty well common term-
27 ination dates. I would suggest, again for the purposes of
28 bargaining strength, that to attempt to strike one auto-
29 mated plant is taking a pretty hopeless approach to the
30 problem of collective bargaining, particularly in the



1 oil industry, or in any automated plant for that matter.
2 So, for this reason, we have pretty generally, common
3 termination dates.

4 THE COMMISSIONER: Has the legislation
5 changed to enable you to make an industry-wide, within
6 the province, an industry-wide agreement?

7 MR. ALLISON: It is our view that the
8 oil industry, particularly, should come under the
9 Federal Labour Act and, of course, that we have at least
10 a company-wide national agreement and, hopefully, some
11 day an industry-wide agreement.

12 THE COMMISSIONER: Are you endeavouring
13 to make that recognized?

14 MR. ALLISON: We have made this propo-
15 sition on at least two occasions. We have proposed to
16 the companies that they voluntarily sit down and nego-
17 tiate master agreements. At this point they have ada-
18 mantly refused to do this.

19 THE COMMISSIONER: Have you ever applied
20 to the Dominion Board of Labour to certify unions in
21 more than one province?

22 MR. ALLISON: No. Under the Acts, as
23 they exist today, if we make application for certifica-
24 tion for a bargaining group in an oil refinery, or an
25 oil installation, let us say -- it could be a marketing
26 group -- it has to come under the provincial Act.

27 THE COMMISSIONER: Oh, yes, if you
28 assume that, then the question drops. All I am suggest-
29 ing is that I think you have a means -- it may be that
30 the Dominion Labour Act does not contain your industrial



1 situation, and in that case, all that you could do
2 would be to endeavour to have the Dominion law expanded
3 to include you.

4 MR. ALLISON: We have proposed that
5 this be done. Let me give you an example: We have,
6 for instance, the pipe lines.

7 THE COMMISSIONER: But that is an inter-
8 provincial undertaking. This is a series of locals.

9 MR. ALLISON: Yes, but these come under
10 the Federal Labour Act. It is our position that the
11 products that go through these pipe lines that come out
12 of these refineries, should come under the same Labour
13 Act.

14 THE COMMISSIONER: That is one way of
15 looking at it, but there is another way and that is that
16 you can say "We are a labour union operating in all the
17 provinces of the Dominion and we are operating with the
18 same company" and that is a fact which distinguishes you
19 from the present law -- such as the Schneider case.

20 MR. ALLISON: Well, this could apply
21 to a great variety of unions.

22 THE COMMISSIONER: Well, we'll take it
23 as you say. You feel you are governed by the local
24 law and that is the end of it.

25 MR. ALLISON: In order to get federal
26 certifications, the Federal Act would have to be expanded
27 to take in the oil refineries.

28 MR. POLLOCK: It would probably be
29 resisted by the provinces.

30 MR. ALLISON: There is no question about it.



1 MR. POLLOCK: Let me ask you this
2 question about the production end of the operation due
3 to automation. I assume they were producing to full
4 capacity with a smaller number of individuals than you
5 originally had in the plant. First of all, is that
6 assumption correct?

7 MR. ALLISON: As in a lot of other things,
8 relatively, no. There were varying numbers of people.
9 As I say, at one time there was well over 400 people.
10 However, in terms of man-hours I would suggest they were
11 working more than under normal circumstances.

12 MR. POLLOCK: In that case, then, auto-
13 mation really has not had any effect on giving the
14 company a better opportunity to continue if they still
15 had to employ the same number of people.

16 MR. ALLISON: No, I do not agree. I can
17 give you an example: for instance in the United States,
18 it would be in the early 1960's where we had a strike
19 with the Shell Oil Company. That strike went on for 13
20 months and that refinery operated every day that that
21 strike went on.

22 MR. POLLOCK: With how many people?

23 MR. ALLISON: I cannot give you specific
24 figures, but essentially what they do is that they take
25 whatever number of people they can acquire; they put
26 them, generally, on a 12 hour shift for 7 days a week.
27 As the people they have brought in become more efficient
28 they can reduce, generally, the number of days. The
29 shifts will quite likely remain as they were, but there
30 will be some free time provided here and there along the



1 line where the people can get a break.

2 MR. POLLOCK: But it seems to me that
3 the advantage of automation -- or the disadvantage in
4 your case -- would reduce the man-hour content of the
5 product. What you are saying now, both from your
6 example in Clarkson and in the United States with Shell
7 Oil, that the man-hour content remains the same. So,
8 how is automation affecting you in that regard?

9 MR. ALLISON: By the very fact the
10 employer can continue to operate.

11 MR. POLLOCK: Well, he can continue to
12 operate with the same number of people working the same
13 number of hours -- perhaps fewer people working more
14 hours; the man-hour aspect remains constant. It is not
15 the automation that changes.

16 MR. ALLISON: Let me perhaps use another
17 example: In a plant where you have a large number of
18 machine operations that require the skill of an operator
19 -- perhaps I could use an automobile plant as an example
20 -- here I think it is traditional that you will find,
21 in the case of a strike, the entire operation is shut
22 down because there are not the people available with
23 the skills to operate these machines.

24 MR. POLLOCK: At about what number would
25 you estimate that?

26 MR. ALLISON: I used the automobile
27 industry and I am not that familiar with it. It could
28 simply be a large machine shop with X number of people.
29 Certainly the larger the number of skilled operators
30 involved, the more difficult it is.



1 THE COMMISSIONER: But where do you
2 reach the point where it becomes impossible?

3 MR. ALLISON: Anything I would say would
4 only be a guess.

5 THE COMMISSIONER: There is a difference
6 between the skilled and semi-skilled and un-skilled, but
7 there is a limit. If you take 7,000 people, I don't
8 care what kind of work they do, you can't replace them
9 in a small community in any reasonable time.

10 MR. ALLISON: One thing you will find,
11 for instance, in an automobile factory is that you have
12 a large number of supervisory, technical people around
13 who are available, and certainly they have to be taken
14 off whatever work they were doing to operate the plant,
15 to carry out this operation. Certainly it makes it much,
16 much easier for the employer to continue to operate
17 behind the picket line if he has an automated plant.

18 MR. POLLOCK: What you are saying, in
19 essence, then is that it is easier to replace in a
20 shorter period of time, button pushers and dial watchers
21 than it is to replace somebody who is operating a very
22 complex piece of tooling machinery.

23 MR. ALLISON: Yes.

24 MR. POLLOCK: Well, that is not the usual
25 automation complaint. The usual complaint is that auto-
26 mation replaces the individuals that would normally be
27 doing the job. I don't know whether human beings could
28 ever be catalytic crackers.

29 MR. ALLISON: Well, there is another
30 factor that the automation factor has already produced



1 in an automated plant, that there has been a large
2 reduction in the work force of the plant. Take this
3 refinery I speak of, this British American Oil refinery
4 which has, at the very least, since I first had knowledge
5 of it, doubled and probably somewhat more than doubled
6 its productive capacity and yet it has reduced the total
7 number of employees by probably better than a third.
8 So, you see, the automation has an eroding effect on
9 your bargaining unit to start with. It takes people
10 out of it. This very fact alone erodes the bargaining
11 power of the unit as such. Now, compare this to the
12 example you suggested of perhaps a machine shop with a
13 large number of people, I think the figure you used
14 was 7,000. You don't have the same difficulty of re-
15 placing 300 or 400 people as you would these 7,000 so
16 there has been an erosion of your bargaining strength
17 to start with, long before you ever get into a strike
18 situation with the company.

19 MR. POLLOCK: With that number of employees
20 and not in a machine shop, even common labourers, you
21 would have trouble finding 7,000 employees. In large
22 numbers of employees, depending on, for example, tool
23 and die makers are pretty scarce now in Canada, if you
24 had one or two involved in your plant and they went out,
25 you couldn't replace them anyway.

26 MR. ALLISON: The fact is they were
27 replaced by supervisory people.

28 MR. POLLOCK: You r people were replaced
29 by other people from other parts of the province. That
30 is a peculiar situation?



1 MR. ALLISON: There were not all that
2 many of them but the weakness stems from the fact that,
3 for instance, let us use an example: I would seriously
4 doubt - and I am not casting any reflections on the
5 ability of the mechanical engineer - I would seriously
6 doubt that he could replace a tool and diemaker. He
7 simply would not have the hand skills to do this.

8 THE COMMISSIONER: And the higher the
9 skill, the more difficult the replacement.

10 MR. ALLISON: Yes. But the fact is, you
11 can take the average refinery engineer and he has
12 sufficient skill that he can push those buttons and he
13 can whirl those knobs and this is another point of
14 difference.

15 THE COMMISSIONER: There is just one
16 question I want to ask you about these people who are
17 brought from another plant. You say that they would be
18 guilty of an illegal strike if they refused?

19 MR. ALLISON: If they refused en masse
20 to carry out the orders of an employer.

21 THE COMMISSIONER: Or even in part if
22 they refused. Then, do you call them, under those
23 circumstances, strike breakers or scabs?

24 MR. ALLISON: Yes.

25 THE COMMISSIONER: Although you admit
26 that they are bound to carry that out under their
27 contract?

28 MR. ALLISON: Of course, this is where
29 the conflict of interest, shall we say, comes into it.

30 THE COMMISSIONER: Because you say it



1 is a hopeless situation which you can't change and
2 those men are bound by their contract to do that.

3 MR. ALLISON: It is a hopeless situation
4 and it should be changed, is what we are saying.

5 THE COMMISSIONER: But it isn't changed
6 yet. I am just concerned with your attitude towards
7 those people who are doing exactly what you would do in
8 the converse case?

9 MR. ALLISON: No, I would not cross the
10 picket line.

11 THE COMMISSIONER: Then you would be
12 guilty of an illegal strike?

13 MR. ALLISON: I would, yes.

14 THE COMMISSIONER: And you say that
15 they should strike illegally in order to support you?

16 MR. ALLISON: Well, we are constantly
17 confronted with this supposedly illegal act. On the
18 other hand, we are confronted with what amounts to
19 virtually a hopeless situation from where we are sitting.

20 THE COMMISSIONER: I must say you have
21 not made very many attempts to change that.

22 MR. ALLISON: We are proposing, number 1,
23 that if a plant is struck, that the employer be required
24 to keep it shut down.

25 MR. POLLOCK: Have you ever won a
26 strike under normal circumstances in the petro-chemical
27 industry?

28 MR. ALLISON: Have we ever won a strike?

29 MR. POLLOCK: Yes.

30 MR. ALLISON: I would say that we have



1 not lost one.

2 MR. POLLOCK: You sound like Mr. Johnson
3 now, in the United States. All right, if you have never
4 lost one, then you must have some power of persuasion
5 at the bargaining table. If one of your complaints is
6 that other members of your union are compelled by a
7 contract to go from one place to another and become
8 strike breakers, why don't you negotiate a term in that
9 contract which says "We shall never be required to act
10 as strike breakers or break an otherwise lawful strike?"

11 MR. ALLISON: We have, in some of our
12 agreements, negotiated this. But you missed a point I
13 made a few minutes ago, that insofar as our union is
14 concerned and in particular with respect to the oil
15 refineries, we have what amounts to common termination
16 dates. In other words, all at the same time, we do not
17 have operative, collective agreements and any provision
18 that would be contained therein, simply would not apply.

19 Now, let me make another point here with
20 you. The situation - we have got around to referring
21 almost specifically to this B.A. refinery at Clarkson -
22 the situation that prevailed there was not one of our
23 own union members being transferred into the plant. If
24 I left this impression, I am sorry, I didn't intend to.
25 There were union members in there but they were from
26 other unions.

27 MR. POLLOCK: Well, that is a different
28 story.

29 THE COMMISSIONER: Oh, yes.

30 MR. ALLISON: I am sorry if I left this



1 impression because I didn't mean to create this. The
2 people who were brought from other plants were entirely
3 supervisory people but, in reply to your question, in
4 respect of negotiating this type of thing into an
5 agreement, that is probably where I confused the issue.

6 THE COMMISSIONER: Well, I certainly
7 understood that these people were members of your own
8 union.

9 MR. ALLISON: Oh, no, they were entirely
10 people who were beyond the scope of the bargaining unit.

11 MR. POLLOCK: They were supervisory
12 personnel?

13 MR. ALLISON: Supervisory and technical
14 people who are normally not included within the scope
15 of the agreement.

16 THE COMMISSIONER: Well, I suppose, in
17 a qualified way, they were brought in from the outside
18 whatever you may call them.

19 MR. ALLISON: Yes.

20 MR. POLLOCK: And by your own words,
21 they were brought in at, I suppose, no mean expense
22 and the fact that these other plants weren't producing.

23 MR. ALLISON: I do not pretend to suggest
24 as I say, that the employer had a complete cake walk in
25 the situation. There is no question about it, there was
26 considerable added expense, there is no question about
27 this, but I still maintain that there was and is an
28 erosion of the bargaining power because of this auto-
29 mation factor. The strikes are extended much, much
30 longer with whatever consequences they have on everybody



1 concerned and I think it encourages the employer to take
2 you on in a strike. I think that the normal check and
3 balance that exists under the circumstances of an auto-
4 matic plant, just doesn't exist any more or at least not
5 to the degree that it used to.

6 THE COMMISSIONER: And you can't meet
7 that by a picket line as you conceive it to be?

8 MR. ALLISON: Well, no, you couldn't.
9 The only possible way that you could meet it with a
10 picket line would be to have the picket line of such a
11 nature that just no one would dare to cross it. Again
12 we find ourselves in an illegal position.

13 THE COMMISSIONER: That is a frank
14 statement and I think it is the fact, undoubtedly.

15 MR. ALLISON: Yes.

16 MR. POLLOCK: I guess we can revert back
17 to where we got off on a spur.

18 MR. ALLISON: I think, actually, in the
19 questioning I have pretty well covered the expansion I
20 was about to make on this brief. In any event, there
21 is one aspect that I had intended to comment on orally
22 if I am permitted.

23 THE COMMISSIONER: Anything you have to
24 say, we would be glad to hear it.

25 MR. ALLISON: There appears to have
26 been a number of suggestions in respect of compulsory
27 arbitration and I would certainly have to record our
28 union's opposition to the suggestion of compulsory
29 arbitration.

30 MR. POLLOCK: Now that you have voted,



1 let me have your reasons.

2 MR. ALLISON: Well, how do you enforce,
3 for instance, compulsory arbitration on one segment of
4 your society or compulsion on one segment of your society
5 that is not counter-balanced by compulsion in some
6 other segments?

7 THE COMMISSIONER: What do you mean by
8 that?

9 MR. ALLISON: I mean simply this, that
10 if you are going to take away, by compulsory arbitration,
11 the right of a group of employees to strike and you are
12 going to supplant that with some sort of coercion and
13 only apply it to the employee, then I think that this
14 is wrong.

15 THE COMMISSIONER: Do you think that
16 public interest may not demand that?

17 MR. POLLOCK: I don't understand what
18 you mean, apply to the employee. It cuts both ways.
19 They can say that the employer has to pay more or the
20 employee will have to take less.

21 MR. ALLISON: The fact is, whatever an
22 arbitrator would decide would have to be applied to
23 both the employer and the employee. But, I suppose
24 that there are some other areas that require compulsion
25 as well, if this is to be brought about. There is the
26 matter of prices, there is the matter of profits. Is
27 this to be left up to the judgment of the corporations
28 or is this going to be controlled as well?

29 THE COMMISSIONER: Well, you know what
30 they are doing in England. It all depends up



1 stage, the circumstances.

2 MR. ALLISON: Well, I don't hear any
3 suggestions about this in connection with compulsory
4 arbitration.

5 MR. POLLOCK: Of course, that doesn't
6 really support compulsory arbitration, or detract from
7 compulsory arbitration, the lack of price fixing or
8 price controls **or** profit controls because in collective
9 bargaining there is none of that either. In many indus-
10 tries that you are familiar with, you and I can come
11 together, I am the employer and in a monopoly situation
12 - let us not pull any punches here now, what about the
13 pulp and paper industry where I can afford, by my
14 position, to pay you whatever you ask because I can pass
15 it on and I do and, in fact, in the pulp and paper
16 industry, some of the highest paid union workers are
17 around. So it is a question of passing on, which exists
18 both in the compulsory arbitration area and in the
19 collective bargaining area. There is a common factor
20 in those circumstances.

21 MR. ALLISON: But there are a large
22 number of other factors that get involved in this
23 collective bargaining system.

24 I suggest to you that one of the reasons
25 that we had so many strikes in this past year - and the
26 possibility exists that we will have as many more in
27 the coming year (I am not prophesying, by the way, for
28 the benefit of the press) was brought about by simple
29 dissatisfaction with wages, working conditions and so
30 on among the workers in a plant.



1 We have this high cost of
2 very fast increasing cost of living, we
3 for instance, which was quoted in the Toront
4 other night where only one person in 10 in this
5 can afford to own his own home.

6 THE COMMISSIONER: Do you
7 a fact that people prefer to buy an automobile to a
8 That was demonstrated in the early years
9 Housing and Mortgage Commission.

10 MR. ALLISON: When I have go
11 and invest \$10 thousand on the lot to put a \$10
12 home on it, I suggest to you that I might be more easily
13 persuaded to go out and buy an automobile.

14 THE COMMISSIONER: Oh, I agree and
15 everybody agrees that the situation relating
16 building of homes and one thing and another
17 serious. There is no doubt about that. But
18 mentioning one fact, that it was reported
19 President of that National Housing Commiss
20 may have been included in his report, I know he told
21 me that in their examination that the average person
22 preferred an automobile to embarking, as they did in
23 the olden days, upon the establishment of

24 MR. ALLISON: Well, I would
25 that - again, everything is relative. In the
26 days, and I am not too sure what period you are spe

27
28 THE COMMISSIONER: I go back pretty

29 MR. POLLOCK: Not before
30 Lawrence River, though.



1 MR. ALLISON: I can recall when the
2 purchase of a home was a primary objective of every
3 young couple that was married. I was brought up in a
4 small community. The problem of transportation was not,
5 in that day and age, the problem that it is today. A
6 car is a virtual necessity in a lot of circumstances
7 today because of the way that we have spread ourselves
8 out, and so on.

9 THE COMMISSIONER: People prefer their
10 own cars to riding in a bus.

11 MR. ALLISON: I do, I know.

12 THE COMMISSIONER: I mean people who
13 have a daily job, to get to their work.

14 MR. ALLISON: But the fact is, regardless
15 of this, the average person today, according to the
16 statement in the Star, and I agree with it, cannot afford
17 to buy a home. There is only one source the worker has
18 for an income and that is from his employer. If he sees
19 that this employer's financial condition is obviously
20 good, that his profits are increasing, then he becomes
21 determined to have a bigger share of this.

22 MR. POLLOCK: Maybe he should become a
23 shareholder as well.

24 MR. ALLISON: Well, at 80, 85 or \$90 a
25 week, you don't have enough left over to raise a family
26 and keep a roof over their head and buy many shares of
27 anything, and this is a fact of life that is involved
28 in this. I suggest to you that, unless all of the other
29 controls are going to be implemented, compulsory
30 arbitration will create more problems than it will cure.



1 THE COMMISSIONER: We will take a ten
2 minute recess now.

3 ---Short recess
4

5 MR. POLLOCK: Just on one question
6 compulsory arbitration which you raised before the recess
7 it seems to me the position of a union in an automated
8 industry, if you advanced it, is a poor one so far as
9 strike potential is concerned. In those circumstances
10 it seems to me that compulsory arbitration, assuming
11 that it is done in a fair manner in the sense that all
12 the factors that should be considered are considered,
13 would be the answer to the resolution of some of the
14 problems which cannot be resolved under this weak strike
15 situation.

16 MR. ALLISON: No. You see, I would like to know
17 with what would be the criterion that would govern
18 the settlement of a dispute? What are the factors that
19 go into determining what is right and what is wrong?

20 THE COMMISSIONER: What do you say?

21 MR. ALLISON: Generally, I think it
22 boils down to just how much you can extract, quite
23 frankly.

24 THE COMMISSIONER: Yes, by what means?

25 MR. ALLISON: In the initial establish-
26 ment of your bargaining program, I think you take a look
27 and assess to the best of your ability with the informa-
28 tion that is available, what is the financial condition
29 of the company. If you are talking now strictly in terms
30 of monetary items, and somewhere along the line you come



1 up with a figure, in the final analysis what is obtained
2 is entirely on the amount that you can **extract**.

3 THE COMMISSIONER: By means of what,
4 though? What is the influencing or coercive factor?

5 MR. ALLISON: To the extent that you
6 can exploit the economic situation.

7 THE COMMISSIONER: But above all of
8 that, the unseen stick that you hold is the strike.

9 MR. ALLISON: Right. As I say, to the
10 extent you can exploit the company's weakness, or vice
11 versa, you will end up with a settlement at some point
12 in time.

13 MR. POLLOCK: In the automated circum-
14 stances, the stick you carry is a small stick.

15 MR. ALLISON: Yes. I say it has been
16 diluted considerably because of automation.

17 MR. POLLOCK: But it is a reality of
18 your industry. There is not going to be any agreement
19 by the oil, chemical and atomic workers that they
20 the machinery and revert to the **Luddites**, or whatever
21 they were in England.

22 MR. ALLISON: No, this is ridiculous
23 because when a strike is over, you want to get back to
24 work.

25 MR. POLLOCK: You have to accept that
26 the machines are going to remain and that they are going
27 to be used, and you do not quarrel with the technological
28 advance of the company in its general, competitive
29 position with, for example, other sources of fuel in the
30 petro-chemical industry or other sources of available



1 chemical compounds from other areas -- the United States
2 or Central America or Europe, or somewhere?

3 MR. ALLISON: No, I think it is too
4 foolish to quarrel with technical progress. You
5 simply demand that you share in whatever it produces.

6 THE COMMISSIONER: You have never endeavoured
7 to analyse or rationalize the criteria at all?

8 MR. ALLISON: Let us go back, say, 15
9 years ago where a strike under the provisions of the
10 Labour Act, even as it exists today, produced some
11 semblance of a balance of power: The employer sitting
12 on that side of the table and the employees' rep-
13 **tives** sitting on this side of the table knew that
14 somewhere along the line, if a settlement was not re-
15 ~~that~~ the income of the employer and the income of
16 employee was about to be, at the least, reduced
17 likely cut off entirely. With an automated plant, this
18 balance of power has been upset. It does not exist.

19 THE COMMISSIONER: There is no doubt
20 about that, that your numbers have decreased and your
21 effectiveness in closing the plant has decreased.

22 MR. ALLISON: Yes. I submit to you
23 that the labour legislation, in theory, was designed to
24 preserve some sort of a balance of power.

25 THE COMMISSIONER: But as has already
26 been pointed out to you, you can get together in a
27 monopolistic position with an enterprise that serves a
28 very vital function to the public and agree on any wage
29 allowance you please because you simply pass it over to
30 the consumer, and you may contribute very seriously



1 the destruction of your own coinage, of your own currency.
2 That is because you are dealing with it as nothing but
3 a game of poker. You are not attempting to consider
4 the economic conditions of your community or the economic
5 conditions -- in addition to the economic conditions
6 of your industry, you are not considering anything at
7 all except the demand and the possibility of supply,
8 in a manner that will be passed to somebody else. All
9 I am suggesting is that I do not think we are so bereft
10 of resourcefulness and thinking and in understanding
11 the factors that ought to determine the distribution
12 of the profits of a plant to surrender to such a mode
13 of settlement and to resist something that is based
14 upon the rational considerations of the effective factors
15 in distributing the production.

16 MR. ALLISON: First of all, I do not
17 agree that this situation exists. I just do not agree
18 that your philosophy is entirely correct. In the ultimate
19 conceivably, this could happen. I suggest to you, at
20 this point that it has not happened. Bargaining in the
21 climate that we find ourselves in today, where there is
22 virtually no control on the employer, what other means
23 are we to adopt?

24 THE COMMISSIONER: All I say is this,
25 that in Australia, where I admit we do not have a total
26 identity of conditions -- but the **labourer** and the
27 management, the employers, have worked under compulsory
28 arbitration for at least 66 years. They have criticized
29 it but no government, including labour governments, has
30 ever attempted to make any substantial modification.



1 MR. ALLISON: But even there, this has
2 not eliminated strikes.

3 THE COMMISSIONER: No, I do not say
4 that it does, but it determines the rational issue of
5 the entitlement.

6 MR. POLLOCK: I think your assumption,
7 in relation to the purpose of the labour legislation,
8 is in some way erroneous, in that I don't think it
9 attempts to strike a balance between the strength of
10 the two parties. It provides the rules, it provides
11 the arena in which the two parties battle it out -- and
12 I know the Commissioner does not like these terms --
13 but where the economic struggle takes place, and the
14 one who is economically stronger wins. There is no
15 suggestion that the labour relations legislation, so
16 far as the strike situation is concerned, attempts to
17 say to a weak union, which is weak both in support of
18 its membership and weak in financial resources, who
19 is dealing with a large company, "Now that you go on
20 strike, we are going to bolster you up and bring you
21 down". It does do something along that line to improving
22 their working conditions by compelling the employer to
23 bargain with a majority of his union. This is the
24 distinction between this Spartan type of legislation
25 that exists in Europe where you have no certification
26 procedure. You say to a union, "If you are strong
27 enough in the sense that you are economically strong
28 enough to bargain with the employer, you can bargain
29 and we will not intervene." But the cry of labour in
30 the early part of this century, especially in the United



1 States, was that "We cannot compete on this type of
2 legislation; we cannot fight them. Give us the magic
3 paper with the red seal, and we will compel them by
4 force of law and we will sit down and bargain". I
5 think that is where the labour legislation in North
6 America ends.

7 MR. ALLISON: So, it is right of the
8 employee to, first of all organize, and the requirement
9 by legislation that the employer must recognize the
10 bargaining agent and, of course, reckon with it.

11 MR. POLLOCK: Regardless of the size
12 or strength of the union.

13 MR. ALLISON: But I think then you have
14 to revert to the philosophy that a single employee is
15 in a poor position indeed in any kind of an economic
16 struggle with an employer, and this is the reason he
17 was given the right to organize in the first place.

18 MR. POLLOCK: There is no question about
19 that. He was not given the right to organize. In
20 England and Europe they took it. They were strong enough.
21 They went to the employer and said "I represent the
22 rest of your work force and if you do not bargain
23 collectively with me, we will quit", and the employer,
24 assessing the strength of this man's claim said "All
25 right.". In the United States and Canada, the employer
26 does not assess the strength of his claim at all. The
27 man comes to him with a piece of paper from the Labour
28 Relations Board and it says "Thou shalt bargain in
29 good faith with this group of employees". So that
30 really, the economic balancing or the strength balancing



1 is done at that initial stage. Once you cannot reach
2 an agreement, then the law of the jungle, or the sur-
3 vival of the fittest, or whatever it is, takes over.

4 MR. ALLISON: And in a lot of instances,
5 actually by the certification procedure, it is simply
6 putting off the evil day, because there are many, many
7 strikes over a first agreement, and it boils down,
8 essentially, to forcing the employer to recognize the
9 strength of the organization.

10 MR. POLLOCK: If you have got the
11 strength, then he will recognize it. If you have not
12 got the strength, then you will fail. We have had briefs
13 from the Bakery Council where they say "We cannot stand
14 a strike". They are on the obverse side of your coin.
15 What do you do in those circumstances? Do you say to
16 their employees "Because the company is so weak and
17 so vulnerable, you cannot strike"? And for the same
18 reason, in your circumstances, we say that because
19 the union is so weak in promoting a strike you have to
20 agree to their demands by law? It cuts both ways, I
21 think, Mr. Allison.

22 MR. ALLISON: One of the things that
23 would come into this compulsory arbitration would be,
24 of course, full, frank disclosure of all of the financial
25 aspects of the company.

26 MR. POLLOCK: No question about that.

27 MR. ALLISON: I suggest that there are
28 some companies who get themselves into a strike through
29 failure to do precisely this. I have not run into a
30 company or heard of one in quite a long time, who has



1 said "I cannot afford to do it". If he does say it,
2 then he should be prepared to put the information
3 before him so that you can make an intelligent assessment
4 of precisely what the situation is. I know there are
5 some people around who suggest that these marginal
6 operators should possibly not be in business. I don't
7 agree. It makes little sense to me to go in and bargain
8 a settlement that is eventually going to put the employer
9 out of business and, consequently, the employees out
10 of work. I don't see this even if it is not the kind
11 of a settlement which you would like to see.

12 MR. POLLOCK: That runs contrary to
13 the position of the building trades' attitude in this
14 area.

15 MR. ALLISON: As I say, I know there
16 are some who have said that the marginal operators
17 should not be in business.

18 MR. POLLOCK: You hate the building
19 trades from another angle?

20 MR. ALLISON: I think that would not
21 be correct to say that I hate them but I disagree with
22 some of the things they do. There should be some other
23 reasons for the building trades suggesting that some
24 of these operators not be in business because of the
25 type of work that they do, the quality of the work
26 that they do, because I think, in a lot of cases, this
27 goes hand-in-hand, really and it could be for the
28 protection of the public that they are suggesting this.
29 I don't know, I am only surmising at this point. But
30 I think, in an industrial undertaking that the leadership



1 of the union have a responsibility to take a look at
2 the financial position of the company. If they will
3 not fully and frankly disclose this to you, then you
4 are faced with taking a guess at it.

5 THE COMMISSIONER: Isn't that the
6 practice? I have heard it said that the moment a company
7 says "We can't afford it", instantly comes the sugges-
8 tion "Well, now, produce your books".

9 MR. ALLISON: Naturally, this is, of
10 course, what you suggest, but I have no way of compelling
11 the full, frank disclosure of their financial position.

12 THE COMMISSIONER: You could if you
13 went to an arbitration under the Labour Relations Act.

14 MR. ALLISON: Under the Labour Relations
15 Act you can get this. This is exactly why you don't
16 have too many employers plead inability to pay and I,
17 frankly, am faced with a situation right now that I don't
18 know what to do with because I am not really all that
19 sure of it and they won't take the risk of a strike
20 through membership activity. A strike through membership
21 activity, despite any advice I give, might develop and
22 this is a situation I am in. I noticed in your terms
23 of reference there is something here about how can we
24 make union leadership more responsible. Frankly, I
25 don't care for the inference.

26 MR. POLLOCK: I don't think it is that.

27 MR. ALLISON: What changes, if any, can
28 be made to present law to encourage responsible trade
29 unions?

30 MR. POLLOCK: If the shoes fit, then



1 you are wearing them, but it is directed in large measure
2 to the union, including the members, encouraging them
3 to be more respectful of their leadership and also
4 encouraging leaders to be more respectful of the other
5 interests in the community. I think if there is any
6 innuendo, it is in your own office.

7 MR. ALLISON: Maybe I'm a little
8 sensitive on the subject, I don't know, but I suggest
9 to you that there are very, very few irresponsible
10 leadership-types about.

11 MR. POLLOCK: There are probably some
12 irresponsible union members about.

13 MR. ALLISON: It could be.

14 MR. POLLOCK: It was directed to them
15 as well.

16 THE COMMISSIONER: It does appear, in
17 many conditions that are visible, that there is a
18 lessening of respect in the sense of following the
19 recommendations of a leadership. Would you give us your
20 opinion of this idea, of having all of these arrange-
21 ments that are negotiated and agreed to by the negotiators
22 and then are referred for ratification to the membership
23 of the union?

24 MR. ALLISON: You refer to this
25 recommendation that the Ontario Chamber of Commerce
26 made?

27 MR. POLLOCK: I think that is right, yes.

28 THE COMMISSIONER: It may be that, but
29 I am just taking the fact that in almost all of these -
30 you take the railway negotiations that have been going



1 on in Montreal for over two months. The negotiators
2 agree, they sign an agreement, they sign an award. They
3 say "Yes, this is satisfactory to us but we have got to
4 submit it to the membership for ratification; in other
5 words, although we have no authority to bind them at
6 all, we know all about the circumstances, we use our
7 best judgment, we send it back to them and they say
8 'Oh, you were able to get that, go back and get some
9 more'".

10 MR. ALLISON: You are suggesting that
11 the negotiators have the authority to accept the agree-
12 ment?

13 THE COMMISSIONER: I am asking you what
14 you think about that.

15 MR. ALLISON: I would disagree with it.
16 I think that the only proper way is for the membership
17 to ratify that settlement.

18 THE COMMISSIONER: Well, all you do is
19 to make the management on the other side refuse to agree
20 to what, otherwise they might.

21 MR. ALLISON: This has been a problem
22 in the past year, there is no question about it, a
23 bigger problem, let me say. It is a minor problem under
24 other circumstances. There has been in some circumstances
25 what I suppose could be classed as a revolt of the rank
26 and file but something or other produced this revolt.
27 I mean it is something that is relatively new in
28 collective bargaining.

29 THE COMMISSIONER: What is it?

30 MR. ALLISON: Well, I think there are a



1 number of factors.

2 THE COMMISSIONER: Don't you think those
3 factors are known to the negotiators? Here you have the
4 leaders, the men who have risen to the direction of
5 affairs of the union and they are familiar with all of
6 the considerations that can be brought to bear upon a
7 negotiation with the management and in the interests
8 of their own men they say "This is very reasonable and
9 we accept it" and yet you say "No, it ought to be sent
10 to the mass of men" who know nothing at all about the
11 considerations that led up to that. But who simply
12 say "You can get more if you have got that much".

13 MR. ALLISON: I would say, in the vast
14 majority of cases that the recommendation of the nego-
15 tiating committee is accepted by the membership - in
16 the vast majority of cases, that it is a rare occasion
17 when the negotiators come back to the membership, that
18 their recommendation is not adopted.

19 THE COMMISSIONER: Well, this last
20 year, in 1966, we certainly had a number of outstanding
21 cases in which that was not the case.

22 MR. ALLISON: I have already admitted
23 to this, that this had been a problem in the past year,
24 but I think if you assess it over, let us say, a 10
25 year period, even throwing in this past year, you will
26 find that there was a very small percentage of the
27 settlements not adopted.

28 MR. POLLOCK: What you are doing is
29 averaging and I think you can talk about a new trend.
30 I suppose if you average the skirt length in the last



1 few years you would have it around the knee but that
2 doesn't change the picture outside. In your own union
3 in Quebec, and I have some knowledge of that, there was
4 a circumstance in which bargaining went on and the
5 company offered an offer which the union negotiating
6 committee felt was a pretty good offer and that they
7 had extracted, to use your term, as much as they could
8 get. They went back to the membership and they made a
9 very impassioned plea to the members to accept this
10 and not to go on strike and the membership rejected it,
11 at which stage the negotiating committee said "All right
12 then, you must be prepared to go on strike". So they
13 went back to the bargaining table and what happened
14 then was the company said "All right, we will give you
15 a nickel more" which really vindicated the membership
16 in that regard. But that shows that this ratification
17 is being used no more than as a tool of collective
18 bargaining.

19 MR. ALLISON: No, --

20 MR. POLLOCK: "Get the plateau set and
21 then we will step up again and keep going back again."

22 MR. ALLISON: This, frankly, is one of
23 the worst things that can happen to a negotiating
24 committee and, believe me, this is so because if this
25 happens to them, then you find yourself in the position
26 of not being able to command any respect from the
27 company negotiators at all. You refer to a situation.
28 This strike that I had in Aurora this summer was
29 precisely of this nature where the negotiating committee
30 said to the membership "We recommend that you settle on



1 the basis of what has been agreed to". They took matters
2 into their own hands and they went out on strike. Under
3 these circumstances you have got only one alternative;
4 either you wash your hands of the whole thing or you
5 keep the organization together and conduct the strike.
6 You have got no choice in the matter.

7 THE COMMISSIONER: What is really
8 happening is this, that the negotiating committee, in
9 their own interest, is accepting arbitration because
10 they say "Well, whatever happens you can't criticize
11 us" and they are refusing then to agree and to submit
12 because they don't want the odium of being held res-
13 ponsible for something less than what might have been
14 obtained. That is actually happening within the last
15 year, or has happened.

16 MR. ALLISON: I disagree with you, sir.
17 I believe that any memorandums that were settled in
18 the past year were signed with all true sincerity by
19 the people who signed them. I believe this wholeheartedly.

20 MR. POLLOCK: I am sure that the
21 negotiating people figured that they got the best deal
22 they could get, in some cases.

23 MR. ALLISON: So, what you had was, as
24 I say, something that probably could be classed as a
25 revolt of the membership in respect of the settlement
26 that the negotiators brought back. Now, there is
27 another side to this point. Under the type of circum-
28 stances that we are discussing here, you are simply
29 opening the door, wide open for what is generally, in
30 the labour movement, referred to as sweetheart agreements.



1 THE COMMISSIONER: I have heard that
2 term used.

3 MR. ALLISON: This is the type of agree-
4 ment where one, two or three people will go in, make a
5 nice little deal with the employer, come back out and
6 say to the membership "There it is, that is it".

7 MR. POLLOCK: How long do they last in
8 their position as negotiating people?

9 MR. ALLISON: Some of them were able to
10 perpetuate themselves for quite some period of time.
11 I would prefer not to have to be specific.

12 MR. POLLOCK: Well, apart from the
13 Seafarers' International Union which, perhaps you may
14 be referring to, everybody is taking them these days,
15 surely if you are an experienced person on a negotiating
16 committee and you have a fantastically greater amount
17 of particular knowledge of the situation than does the
18 membership, who doesn't even know what you are talking
19 about in that room, and then if it does know, you just
20 don't have a **chance** to communicate with them. I don't
21 say you have a higher intellect than they have, but
22 you have more particular facts, you can assess these
23 things, you do assess them. Then, why don't they fall
24 or stand on your assessment and if the union feels that
25 they made a bad deal for them, let them vote you out?
26 Let them say to you "All right, you are never going to
27 be our negotiator again, we want some of the young Turks
28 here to negotiate and they will go and fight all the
29 way".

30 MR. ALLISON: Well, you then force this



1 person, whoever he may be - you can use me as an example
2 if you like - into the position of being a politician.

3 MR. POLLOCK: I am not forcing it, I
4 think you are trying to be a politician and standing
5 on the fence.

6 THE COMMISSIONER: What do you mean by
7 a politician? You are speaking about men who, in good
8 faith and sincerity, sign an agreement, not so much an
9 agreement as the details of an award. They are acting
10 in good faith throughout and all that is being suggested
11 is that if, after knowing more than the membership can
12 possibly know, after exercising a judgment which must
13 be exercised by somebody, they are turned down, then
14 they should say "Very well, look after your own affairs".
15 That is all I am suggesting.

16 MR. ALLISON: Perhaps my thinking is
17 influenced by the nature of the organization to which
18 I have, for most of my working life, belonged, where
19 there is an extremely high degree of rank and file
20 control. Our constitution very specifically provides
21 for this and because I have been brought up in the labour
22 movement in this way, shall I say, I think this way.
23 There are times when I perhaps would not disagree with
24 you too much that the rank and file do not always come
25 up with the right decision. I generally believe that
26 on the average their assessments may be generally correct.

27 THE COMMISSIONER: Have they ever rejected
28 a recommendation of yours?

29 MR. ALLISON: On this one occasion, yes;
30 on this one occasion only. You have this responsibility



1 that even before negotiations start, in the drafting of
2 the proposals, you have the responsibility to ensure
3 that your membership knows what those proposals are and
4 why they are being submitted, and you have a responsi-
5 bility during the course of negotiations to report to
6 the membership as to what is going on, what progress
7 is being made. It is quite common that during the
8 process of negotiations, the negotiators withdraw this,
9 that or the other thing, because in their judgment they
10 feel it is of less importance than some other item.

11 This sort of thing has all got to be reported to the
12 membership and the reasons for it. There are, unfortun-
13 ately, the rare occasions where the membership sees fit
14 to reject the opinions of the negotiators.

15 THE COMMISSIONER: I think the obvious
16 consideration that emerges from that is a very simple
17 one, to say "Here you have been able to get that; go
18 back and they will give you more".

19 MR. POLLOCK: That has actually happened.
20 That is not a theoretical assumption. People see this
21 happening and they say "Why don't you try that?".

22 MR. ALLISON: This is not something
23 that responsible negotiators do. It is something that
24 occasionally the membership possibly may try. I know
25 it sometimes has an effect on the negotiations. This
26 is why you sometimes get a 3 cent offer over 3 years,
27 or something like that -- the company is going to work
28 up to it. I have also bargained in industries where
29 you get one offer and "you take it or you do whatever
30 you like".



1 MR. POLLOCK: In those circumstance,
2 then, you can go to the union and say to them "This
3 is the company's offer and that is it. It is either
4 accept it or go on strike". That is good for the
5 employer and it is good for the union in that circum-
6 stance, but what is bad is when you say "I will accept
7 it." "This is what he is prepared to offer? Go and get
8 more"; you go back to the table and the employer knows
9 you are coming back so he does not give you as much as
10 he should in the first place and you go back and forth
11 and back and forth for a nickel and you never get a
12 final offer from anybody, or a final acceptance.

13 MR. ALLISON: No, this is not so, at
14 least not in my experience.

15 MR. POLLOCK: That is the way the
16 practice runs in the industry where this thing is now
17 developing. It has just started to succeed in a few
18 years. It is a new idea. Some say it is a good idea.
19 "If they are going to give you this, go back and get
20 some more." Because they are not going to drop down
21 below that -- "Go and get some more or we will go on
22 strike" -- then does he withdraw that offer immediately?

23 MR. ALLISON: Well, some companies do
24 but it is entirely an academic thing because once it
25 is on the table, so he says he has withdrawn it -- this
26 is not too often implemented.

27 MR. POLLOCK: So he is committed and
28 you are not. That does not seem to be a good, safe
29 situation.

30 MR. ALLISON: I am not aware of this



1 philosophy that you expound. It may be around, but I
2 am not aware of it, frankly. I think that any negotiator
3 has an end point in view somewhere down the line, but
4 in the climate in which you negotiate, the only strength
5 you have is the membership, and this, frankly, is the
6 only strength that there is insofar as the union nego-
7 tiators are concerned. You cannot divorce yourself
8 from this strength.

9 MR. POLLOCK: I am not saying you
10 should. I am saying go in there with the full strength
11 and the full power of the membership behind you, saying
12 to you "Mr. Negotiator, you can negotiate between \$1.25
13 an hour and \$1.75 an hour. If you do not get \$1.25,
14 we are going on strike. If you get anywhere between
15 those two prices, get the best you can, but we will
16 not go on strike for \$1.69 an hour".

17 MR. ALLISON: Oh, no, it could not
18 work this way because the minute you quote a minimum
19 figure, that immediately becomes your bargaining objective.

20 MR. POLLOCK: Quote it to whom?

21 MR. ALLISON: You suggested you negotiate
22 somewhere between \$1.25 and \$1.75.

23 MR. POLLOCK: No, I say that is the way
24 the union gives you its instructions. They say "We
25 want you to get 85 cents an hour increase. Try and
26 get a dollar increase. We would like that because it
27 is 15 cents better, but we are not prepared to go on
28 strike for 86 cents. If their offer is 86 cents, we
29 will accept it. We will accept 85 cents, but if all
30 you get is 60 cents of an increase, we don't want that



1 and we are telling you that now. If they are prepared
2 to only offer that, you can tell them that it is a
3 strike situation".

4 MR. ALLISON: No.

5 THE COMMISSIONER: I guess we can't add
6 much to what has been said. You don't agree with it,
7 and I must say, to me, you don't seem to be giving many
8 considerations to justify your position, but that is
9 your conclusion so I will leave it at that.

10 MR. ALLISON: Well, I think I have
11 nothing more to say, sir, unless you have any more
12 questions.

13 MR. POLLOCK: You suggest on page 7 --
14 at least Mr. Osler suggests on your behalf, that ex
15 parte injunctions should be retained in certain circum-
16 stances. It is the paragraph numbered 58:

17 "It must be stated ... "

18 (He is talking about the Taft-Hartley provisions)

19 "... that the section then goes on
20 to provide for the possibility of
21 an ex parte injunction under certain
22 circumstances, but even there,

23 testimony must be given under oath ..."

24 et cetera. You subscribe to that, do you? If you are
25 going to incorporate a system, you have to take some
26 bad with the good.

27 MR. ALLISON: As I understand this, the
28 provision for injunctions would be to cover very extreme
29 circumstances. I believe one that is suggested here is
30 where the law enforcement agencies either cannot or will



1 not handle the situation.

2 MR. POLLOCK: That is the general
3 criterion forgetting any kind of an injunction.

4 MR. ALLISON: But under this act,
5 exclude picketing, boycotting -- those are two in
6 particular, and there is a third one -- that are specif-
7 ically excluded.

8 MR. POLLOCK: Well, the first one is
9 striking.

10 MR. ALLISON: The first one is the
11 results of striking that they are more concerned with.

12 MR. POLLOCK: Initially, when this
13 legislation was first drafted in the United States, there
14 were injunctions existing against striking.

15 MR. ALLISON: We have passed beyond that
16 and what we are concerned with now are the results of
17 the striking and picketing and so on. What we say in
18 our conclusion ---

19 MR. POLLOCK: You say there should be
20 no ex parte injunctions issued in labour disputes and
21 I cannot reconcile that with the conclusion in the rest
22 of your brief, the recommendations and the suggestions
23 of Mr. Osler -- if you can give me some circumstances,
24 and I don't want you to explain with adjectives -- just
25 let me have some fact situations where you think there
26 should be an ex parte injunction.

27 MR. ALLISON: Possibly in a situation
28 of extreme violence, where there were people in danger
29 of their lives or serious injury or something of this
30 nature, where, of course, it had been clearly established



1 that this was the case.

2 MR. POLLOCK: That argument is countered
3 by the fact that they say "Why don't you use the police
4 force and arrest those people?".

5 MR. ALLISON: In many instances, this
6 is precisely what happens, but then, as the situation
7 exists here in Ontario today and many other provinces,
8 even having had these arrests, you still find yourself
9 confronted with an ex parte injunction.

10 MR. POLLOCK: I am asking you now if
11 you suggest here that an ex parte injunction should be
12 granted under certain circumstances ; I want to know
13 what those certain circumstances are in your mind?

14 MR. ALLISON: They would have to be very,
15 very extreme circumstances.

16 MR. POLLOCK: Give us some examples?

17 MR. ALLISON: I have given you one
18 example.

19 MR. POLLOCK: That is one -- violence.

20 MR. ALLISON: I can't at the moment
21 think of another good reason for it. Perhaps if the
22 nature of the picket line was such that it was seriously
23 interfering with, let us say, a public highway where
24 there was life and limb in danger because of it.

25 MR. POLLOCK: That is true.

26 MR. ALLISON: I have not seen any
27 circumstances where this would actually be a fact. It
28 may not happen.

29 MR. POLLOCK: Virtually, you have
30 covered the substantial requirements of the Judicature



1 Act.

2 MR. ALLISON: What we object to is the
3 fact that an employer can go before a judge and get an
4 injunction on the basis of something that he alleges.

5 MR. POLLOCK: He doesn't allege it, he
6 swears to it.

7 MR. ALLISON: He swears that he thinks
8 such and such is going to be the result of a certain
9 action.

10 MR. POLLOCK: That's right, he sets out
11 the facts and he says "There are 300 people massed around
12 my plant, milling and shouting and shoving and screaming".

13 MR. ALLISON: And he believes that
14 something is going to happen and simply puts forth his
15 judgment.

16 MR. POLLOCK: Don't you think that is a
17 pretty sound judgment if those are the facts that he
18 sets out and they are true?

19 MR. ALLISON: No.

20 MR. POLLOCK: To have a huge crowd milling
21 around?

22 MR. ALLISON: A huge crowd around is no
23 indication that any violence is about to take place.

24 MR. POLLOCK: Assuming there is pushing
25 and shoving and there is some threatening to individuals?

26 MR. ALLISON: You say "some" ---

27 MR. POLLOCK: There has been nobody hit
28 on the head yet but there has been shoving and fist
29 shaking and screaming, and the sheer mass of 3 or 400
30 people in a crowd and some hot-head saying "Let us get



1 them" and those kind of things, and other people are
2 trying to keep them back. You don't have to have an
3 active imagination to conjure up this type of thing.

4 MR. ALLISON: Well, I have seen this
5 type of thing. You don't have to have much imagination,
6 as you say.

7 MR. POLLOCK: It is pretty frightening,
8 isn't it?

9 MR. ALLISON: But this does not happen
10 all that often.

11 MR. POLLOCK: But in those circumstances
12 where it does happen -- let me discount, first of all,
13 all those circumstances where the employer swears a
14 false affidavit, when he lies. You can't do anything
15 about lying. If he is going to lie here, he is going
16 to lie there.

17 MR. ALLISON: Yes.

18 MR. POLLOCK: Assuming his factual
19 assessment is correct and true?

20 MR. ALLISON: Well, maybe I sound as
21 though I am hedging, but I suggest to you that when an
22 organization goes on strike, a local union, that they
23 have some interest they are about to protect and I
24 suggest, and I have stated here this morning, and I
25 will restate it, that violence, in my view, contributes
26 very little, if anything, to the winning of a strike.
27 I think it should not take place, and this is violence
28 to persons or to property.

29 MR. POLLOCK: You have no objection to
30 having that violence enjoined?



1 MR. ALLISON: I think, first of all --

2 MR. POLLOCK: Answer that question: You
3 don't have any objection to enjoining violence on a
4 picket line?

5 MR. ALLISON: I think there should be a
6 strong attempt made by law enforcement agencies to see
7 that violence does not take place on a picket line first.

8 MR. POLLOCK: Do you have any objection
9 to having violence enjoined on the picket line?

10 MR. ALLISON: Well, I can't be a law-
11 abiding citizen and sit here and say no.

12 MR. POLLOCK: Well, you can't be a
13 reasonable man in what you said recently, and say
14 no too. Obviously, your answer is yes.

15 MR. ALLISON: I would have to say yes,
16 but there are all kinds of situations, I am sure, that
17 are not as you have just described or as you have ques-
18 tioned me on where ex parte injunctions are granted.

19 MR. POLLOCK: Can you point to any
20 particular examples of them?

21 MR. ALLISON: Frankly, no, at this point
22 I can't. I can only point to the statistics that we
23 quote in our brief, the fact that there are very, very
24 few of these injunctions ever come to trial -

25 MR. POLLOCK: Let me ask you about that,
26 then. How many, in your own experience, or experience
27 generally in the labour union, as one of the terms of
28 settlement of a strike do you insist that all the pro-
29 ceedings, either civil or criminal, be withdrawn against
30 the individual?



1 MR. ALLISON: We insist, wherever possible,
2 that this be so.

3 THE COMMISSIONER: You don't want to
4 carry anything to trial then? And, as far as I have
5 been able to gather, you have never had an incident
6 in which you show that the facts which were put forth
7 on an affidavit, on which an injunction was granted,
8 were false. You say "We didn't have an opportunity to
9 give our side" but you apparently have never said that
10 what was alleged was not true?

11 MR. ALLISON: By the time, under the
12 system of granting an ex parte injunction, you could get
13 around to proving whether the allegations are correct
14 or incorrect, it has come to the point where it has,
15 virtually, no significance.

16 THE COMMISSIONER: I agree with that
17 but for the purpose of vindicating yourselves and saying
18 "This injunction should never have been granted because
19 that affidavit is false". You would, I should think, on
20 some occasions, take the trouble to establish that fact
21 and yet you have never done it.

22 MR. ALLISON: All right, I will admit we
23 have never done it for the reason that I have suggested.

24 THE COMMISSIONER: You may give that
25 reason but I am going to assume that you couldn't show
26 that the facts were falsely stated to the court because
27 you could have had that injunction removed at the cost
28 of the employer.

29 MR. ALLISON: By the time you can do this
30 the subject has become almost entirely academic.



1 THE COMMISSIONER: Why not take a case
2 and demonstrate the validity of your complaint?

3 MR. ALLISON: It is a suggestion that
4 we will seriously take under consideration.

5 THE COMMISSIONER: I certainly would
6 think it would be good advice to a union to say "Here,
7 this was obtained falsely and we are going to establish
8 that fact". I can't see anything more important.

9 MR. ALLISON: But other than the "perhaps"
10 and I say only perhaps that it may cause an employer
11 to reconsider the next time the subject comes up --

12 THE COMMISSIONER: Taking into account
13 your own economic interest to avoid anything like that,
14 but then I would say, don't complain about that. When
15 you make an agreement by which you virtually agree to
16 the extension of the strike, why don't you, instead of
17 that, say "No, we want to bring this up before a judge
18 on your application to continue to show that it shouldn't
19 have been issued in the first instance"?

20 MR. ALLISON: There are very good finan-
21 cial reasons for this too.

22 MR. POLLOCK: But you can't just look
23 for today and say "Let us settle it today". Your agree-
24 ment doesn't last forever. You are going to have
25 negotiations here, you are going to have negotiations
26 somewhere else. Even you, yourself, and altruistically
27 for the rest of the labour movement, if you can destroy
28 an affidavit and show that an injunction was falsely
29 obtained, then that causes other judges to think "Perhaps
30 maybe this material is false". All you have so far is



1 a bunch of people who are personally involved in injunc-
2 tions saying "These are false" and nobody has ever gone
3 to say, as there is in a case in court where you have
4 a plaintiff and defendant where the defendant says "Your
5 position is false" and they go all the way through it and
6 then they demonstrate it. Otherwise, what you are saying
7 is as soon as they get the injunction; "Let us quit."
8 Plus that, you are saying "I don't want to challenge it,
9 I am not going to challenge it but I am still going to
10 say it is false". If you could demonstrate it is false,
11 your obligation is to demonstrate it is false.

12 MR. ALLISON: Let me ask you this: Why
13 cannot this be done when the injunction is requested?

14 THE COMMISSIONER: Well, it ought to
15 be done unless the circumstances are critical, that is
16 true. I quite agree with you and the affidavits show
17 that it is critical. There are only 3 grounds upon
18 which an ex parte application can be made but that
19 doesn't last over 4 days. They have to give notice that
20 they want to continue that. Now, you are brought before
21 the court when the continuance is proposed and, generally
22 speaking, instead of challenging that, you agree to
23 some modification, say that you have a half a dozen
24 pickets or something of that sort. I would say that
25 for your own vindication you say "No, this should not
26 have been granted in the first instance and we are
27 prepared to show it". That is all that is being sug-
28 gested and it seems to me that if you could show that
29 on one occasion, you would establish something rather
30 important.



1 MR. ALLISON: Well, I simply revert back
2 to my position that by the time you do establish this,
3 the damage is done.

4 MR. POLLOCK: The damage is done today
5 but it is not done for the future. You would accomplish
6 something for the future.

7 MR. ALLISON: If the employer is success-
8 ful in the four day period that is allowed in getting
9 the strike breakers into his plant and so on, then the
10 damage is done.

11 THE COMMISSIONER: Do you think to get
12 the strike breakers in that that is the purpose of the
13 mass picketing at the beginning? We were told the
14 purpose of that mass picketing at the beginning was to
15 generate a high feeling among the strikers, that "Here
16 we are on something important and we are welded together".

17 MR. ALLISON: This would be part of it,
18 yes, and certainly if somebody approaches the picket
19 line, the picketer is going to, as emphatically as
20 possible, persuade that person that he should not cross
21 that picket line and when I say "as emphatically as
22 possible," I don't mean that he should physically attack
23 the man.

24 THE COMMISSIONER: Well, I think we have
25 analysed it pretty well.

26 Well, Mr. Allison, we are much obliged
27 to you. You have made a frank statement and that is what
28 we are looking for.

29 MR. ALLISON: Thanks, gentlemen.

30 MR. POLLOCK: One point, Mr. Allison.



1 Perhaps in those five strikes that your union has been
2 involved with in Ontario, if you can perhaps analyse
3 those strikes, if there is material available - I realize
4 that two of them are 1960, on the basis of the second
5 part of this sheet. You have received this agenda?

6 MR. ALLISON: Yes.

7 MR. POLLOCK: If you can, we would be
8 obliged to know the answers to some of the questions
9 raised in that with relation to the actual experience.

10 MR. ALLISON: I contemplated something
11 of this nature when this was handed to me. I have not
12 had the time, up to this point, to do it.

13 MR. POLLOCK: We will expect, sometime
14 in the future, to receive an additional submission from
15 your union on that aspect of it.

16 Thank you.

17 THE COMMISSIONER: The Commission will
18 be adjourned until 2:00 o'clock.

19 ---At 12:15 p.m., the Hearing adjourned until 2:00 p.m.
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1 ---At 2:00 p.m., the Hearing resumed.

2 MR. POLLOCK: Mr. George H. Bevan,
3 Professional Engineer. I understand, Mr. Bevan, that
4 you were employed by the Canadian National Railways as
5 a plant superintendent and that you retired from there
6 in 1960 and that the brief which you have prepared and
7 which we have both read, is your own, you represent no
8 organization, company or association and these are made
9 in your personal capacity as a citizen of Ontario.

10 MR. BEVAN: That is correct, sir.

11 MR. POLLOCK: I understand, also, that
12 you want to present the brief by reading through its
13 various points and I think, in view of the fact it is
14 only 6 or 7 pages, we are prepared to let you proceed
15 in that way and we will withhold our questions until
16 you finish the formal presentation.

17 MR. BEVAN: Thank you.

18 Mr. Commissioner, I wish to thank you
19 for the great honour it is to appear before this very
20 important Commission. I will proceed to read my brief.

21 (1) The continuing conflicts between
22 labour and management have resulted in a wave of strikes
23 and some incredible wage gains. This, along with bigger
24 profits, has produced inflationary pressures on the
25 economy and increases in living costs. A satisfactory
26 solution of this problem is most urgent and is vital
27 to our democratic way of life.

28 (2) Labour in the early days of the
29 Industrial Revolution formed trade unions as a protec-
30 tion against the harsh treatment by management. The



1 relationship between management and labour was that of
2 master-servant, and this has been continued right up
3 to the present day.

4 (3) The existing process of so-called
5 collective bargaining in industrial disputes is based
6 on two following assumptions: That the government
7 regulated process of collective bargaining is democratic;
8 and that labour and management are two adversaries.
9 Both these assumptions are false.

10 (4) It is the very negation of democracy
11 when two relatively small non-elected bodies, labour
12 and management, make decisions and take actions which
13 affect in very serious ways the lives of millions of
14 consumers, and I know of no comparable situation in
15 our society. This process is not the greatest good
16 for the greatest number. The consumer who pays all
17 wages, fringe benefits, production costs and profits
18 is not even consulted. Labour and management between
19 them determine how much the consumer will pay for the
20 worker's remuneration and for his inefficiencies.
21 Such irresponsible bargaining can never be satisfactory.

22 (5) Secondly, labour and management
23 are not adversaries. They are not opposing factions
24 although they may act that way. They are PARTNERS in
25 a production team with one objective only; to manu-
26 facture a product or to supply a service for the
27 consumer. Whether they co-operate or are in continual
28 conflict with each other, nothing can alter the fact
29 that they are partners. Each cannot exist without the
30 other. To perform they must be in continuous contact



1 with each other whether it be in factory, farm or office.

2 (6) In the final analysis the purpose
3 of industry is to supply the consumer with the products
4 and services he needs. The consumer includes labour
5 and management as well as all other people. Inefficiency
6 of any source in industry is paid for by the consumer
7 which includes labour and management.

8 (7) In order that costs of products be
9 competitive, management requires greater efficiency from
10 labour. Labour under the present system is opposed.
11 If with his inherent abilities he performs a task in
12 fewer manhours he stands to lose his job more quickly.
13 This is present practice and if management were placed
14 in the same position he would react in the same manner.
15 Labour must, therefore, be given job security or
16 continuity of employment.

17 (8) Labour by its skills and cooperation
18 would rightly require a share of the increased incentive
19 profits resulting from the greater efficiency.

20 (9) The consumer must share in the
21 incentive profits. He alone pays all wages, production
22 costs and profits, including taxes. Industry exists
23 only because of the consumer.

24 (10) The stockholder who furnished the
25 capital must also share in these increased incentive
26 profits.

27 (11) The winds of change have begun to
28 blow. Claude Jodoin, President of the Canadian Labour
29 Congress, stated recently that there is a very great need
30 for a careful study of the whole process of collective



1 bargaining and that compulsory arbitration would not work.
2 He further stated that he would like to see university
3 people make a concentrated effort toward consultation
4 and a study of labour-management relations.

5 (12) Walter Reuther, President of the
6 United Auto Workers Union, in his recent Labour Day
7 message stated "That business leaders should share the
8 fruits of developing technology among workers, stock-
9 holders and consumers".

10 (13) If labour and management are
11 partners in a production team, and I cannot envisage any
12 other relationship, then it is clear cut that cooperation
13 is the only solution to replace collective bargaining.
14 Cooperation in all phases of living throughout our society
15 brings the greatest benefits. Without cooperation the
16 efficiency of industry must suffer. With cooperation
17 and a profit sharing basis, increased efficiency in
18 industry will rise to heights unknown. This has been
19 proven in a number of instances and in other countries.

20 (14) In the first eight months of 1966
21 there were 423 strikes called across Canada, causing
22 a loss of 3,676,000 man-days of work in that period.
23 This in itself is a big loss in our national productivity.
24 What accentuates this loss is that the recent wage gains
25 were in no way related to any productivity increase.

26 (15) The Federal Industrial Relations
27 and Disputes Investigations Act of 1948 which repealed
28 a similar Act of 1907 and the Ontario Labour Relations
29 Act of 1960 provide for collective bargaining, mediation
30 of conciliation officers and boards, arbitration of



1 disputes and conditions which must be observed prior to
2 strike or lockout action. It is a cumbersome, costly
3 procedure based on a supposed protection of labour in
4 this ridiculous master-servant relationship. Surely
5 with the thousands of cases of collective bargaining
6 that have occurred since its inception enough knowledge
7 has been gained to determine if it is a satisfactory
8 process. It is not, and some of our labour leaders say
9 so. The Act should be repealed and careful consideration
10 given to new legislation which would include the follow-
11 ing objectives:

12 (a) Eliminate the master-servant complex
13 which has been in effect for over 100 years.

14 (b) Recognize that labour and management
15 are partners in a production team and they must be given
16 equal status and act in a spirit of cooperation.

17 (c) That labour has the same right to
18 continuous employment that management now has.

19 (d) That when in the interests of
20 increased efficiency, technological changes are necessary,
21 management will cooperate with labour to the fullest
22 degree in the implementation of these changes. This is
23 in line with the Freedman Report.

24 (e) That incentive profits, the results
25 of increased efficiency, shall be shared among labour,
26 consumer and stockholder.

27 (f) There will be an interim period
28 between the present collective bargaining process and
29 labour-management cooperation. During this interim the
30 only proper bargaining that should be undertaken is



1 between consumer on the one side and the labour-
2 management team on the other side.

3 The plan outlined in this brief of sub-
4 stituting a cooperating labour-management team plus the
5 sharing of incentive profits by labour, consumer and
6 stockholder in place of so-called collective bargaining
7 has been proven a success.

8 (16) In Canada the experience of the
9 Manitoba Rolling Mills of Selkirk, Man. (Appendix No. 4)
10 shows what can be accomplished in bringing in automation
11 when cooperation is the keynote.

12 (17) Canada must change the old habits if
13 we are to survive in the fierce competition for world
14 markets. Other nations are moving forward at a rapid
15 rate and adopting new ideas and procedures including
16 incentive profit sharing. It is to labour's own advantage
17 to adopt this plan of cooperative partnership. By so
18 doing it can obtain its fair share of the increased
19 productivity and it will help to win back a great deal
20 of the consumer support which has been lost over the
21 years.

22 Work stoppages can and should be eliminated.
23 George H. Bevan, November 29th, 1966.

24 If I may continue, Mr. Commissioner, I
25 would like to read Appendix 4 as I think it is very a
26 propos to this.

27 Appendix No. 4:

28 "MEETING THE CHALLENGE OF AUTOMATION

29 COLLECTIVELY - A Case History -

30 This is a resume of a talk delivered by



between of ... the one side and the other -
management ...

... in this part of the ...
... management ...
... the ...
... on the ...

... the experience of ...
... (Appendix No. 4)
... can be accomplished in printing in a ...
... cooperation in the response.

(IV) ... must change the old habits ...
... we are to survive in the future ...
... Other nations are moving forward ...
... have and adopting new ...
... to ...
... to adopt this plan of ...
... it can ...
... productivity and it will ...
... of the ...
... Years.

Work ...
George H. Brown, November 1951, pp. 1.
If I ...
would like to read Appendix ...
propos to this.

Appendix ...
"MEETING THE CHALLENGE OF A ..."

COLLECTIVELY ...
... is a resume of ...



1 Mr. Milton Pogson to the Personnel
2 Association of Greater Winnipeg on 18
3 October, 1966.

4 The United Steelworkers of America
5 and Manitoba Rolling Mills of Selkirk,
6 Man., a Division of Dominion Bridge,
7 have agreed upon a \$8,500,000 moderniza-
8 tion plan that will ultimately reduce
9 the work force of 1000 by 260 men.

10 In 1963 - 2½ years in advance of
11 expected implementation of program,
12 Local 5442 of United Steelworkers
13 was notified of plan changes. The Union
14 and Company set up a subcommittee to
15 study the effect on jobs.

16 In the fall of 1965, the Company
17 approached the Manitoba Labour Department
18 and the Federal Government Manpower
19 Consultative Service, and a Joint Planning
20 Committee was formed with two specific
21 objectives:

22 (a) Re-training employees assigned
23 to new duties caused by tech-
24 nological changes.

25 (b) Devise manpower adjustment
26 program for the re-adaption or
27 relocation of employees who may
28 be laid off.

29 Union and Company agreed to waive all
30 rights and clauses in their collective



1 agreement that would prevent implementa-
2 tion of program.

3 Provincial Department of Education
4 provided information to employees on
5 training programs. The Citizenship and
6 Immigration Department provided grants
7 under the Manpower Mobility Program to
8 relocate displaced employees and the
9 National Employment Service agreed to
10 interview and register men to be dis-
11 placed.

12 Mr. M. Pogson, Manager, Employee
13 Relations, stated 'That the joint program
14 was the first of its kind in the province.
15 That labour harmony can be retained in
16 the face of automation when Union and
17 Management squarely face the facts and
18 cooperate. Participation was the keynote.
19 A feeling of security was maintained
20 within the group by the over-riding
21 interest in the well being and welfare
22 of the worker'."

23 This, incidentally, Mr. Commissioner, follows the
24 Freedman Report.

25 I have now, a supplementary brief, which
26 I would like to read, Mr. Commissioner.

27 Two top union leaders in a recent round-
28 table discussion covering Labour and the 1967 Economy
29 defined the collective bargaining process out of which
30 strikes arise.



1 Said W. Mahoney, Director of United Steel
2 Workers,

3 "Our responsibility on behalf of our
4 members is to get the best share of the
5 economic pie we can for our members and
6 management's obligation, I suppose, is
7 to try to keep as much of it as they can."

8 Said W. Dodge, Vice-President of Canadian
9 Labour Congress:

10 "Once management has accepted the basic
11 facts of the situation ... namely that
12 we represent an interest and we recognize
13 they represent an interest and each is
14 attempting to make sure that the interest
15 it represents obtains a fair share of
16 the proceeds of production then you have
17 accepted the collective bargaining
18 process because that is what it means."

19 This, then is labour's philosophy of
20 collective bargaining. Labour and management are the
21 sole participants of the economic pie, and each will
22 fight for his share; and the consumer - the public be
23 damned. The consumer who pays all wages, fringe benefits,
24 production costs and profits is not even included,
25 consulted or considered. Industry exists only because
26 of the consumer. Such collective bargaining, as defined
27 by labour, I contend, can only result in failure. It
28 sets up a continuous war between labour and management
29 when, in fact, the two acting as partners should be
30 serving the consumer who alone makes their jobs possible.



1 Walter Reuther, President of United Auto
2 Workers, recognizes the consumer's rights, and in his
3 1966 Labour Day message stated:

4 "That business leaders should share
5 the fruits of developing technology
6 among workers, stockholders and consumers."

7 Messrs. Mahoney and Dodge state that
8 labour and management represent separate interests. This
9 is not so. These two parties are not opposing factions
10 although they may act that way. Their interests are
11 identical; they are PARTNERS in a production team with
12 one objective only; to manufacture a product or to
13 supply a service for the consumer. Whether they cooperate
14 for the mutual benefit of all society or are in continual
15 conflict with each other, nothing can alter the fact
16 that they are partners. Each cannot exist without the
17 other. When they finally decide to cooperate the
18 economic pie will be much larger and well worth sharing
19 amongst the three parties involved - labour, stockholder
20 and consumer.

21 Claude Jodoin, on October 17th, 1966, at
22 Toronto Board of Trade Club, speaking of labour and
23 management stated:

24 "Some improvement in the atmosphere is
25 absolutely essential to a cooperative
26 approach to the tremendous problems
27 which not only face us today but are
28 going to face us in the future. We
29 must have a cooperative relationship
30 with both parties working together in



1 the common interest."

2 The cooperative approach and the present
3 collective bargaining process are completely incompatible.

4 W. Dodge, at the round-table discussion
5 stated:

6 "And it is even possible if productivity
7 rises high enough - and this has been the
8 case in many industries - for wages to
9 rise substantially and the price of the
10 product go down."

11 What Mr. Dodge has stated as possible is
12 the very basis of my brief.

13 Collective bargaining can never provide
14 this.

15 Mr. Commissioner, I would like to proceed
16 and I would like to make a comparison of the two phil-
17 osophies, if I have permission.

18 THE COMMISSIONER: Certainly.

19 MR. BEVAN: This philosophy of our two
20 union leaders is common throughout this continent --

21 THE COMMISSIONER: Where are you reading
22 from?

23 MR. BEVAN: I am sorry, sir.

24 THE COMMISSIONER: We have not a copy
25 of that?

26 MR. BEVAN: I intend to leave the
27 original.

28 THE COMMISSIONER: I just wanted to know
29 if we had it.

30 MR. BEVAN: I never thought of it, but



1 anything I have, I will give to the Commission.

2 This philosophy of our two union leaders
3 is common throughout this continent. "Our loyalty is
4 to our 36 thousand dues paying members. Outside of that
5 we have no further loyalties." So declared Michael Quill,
6 head of the Transport Workers Union when he ordered his
7 men to strike the New York City transit system in blank
8 defiance of the needs of 10 million citizens. Our own
9 recent railway strike was in this same category. Is it
10 democracy when millions of people suffer untold hardship
11 and loss for the benefit of the few?

12 Let me compare this collective bargaining
13 philosophy with the philosophy of incentive profit-
14 sharing. A few brief paragraphs from an article entitled
15 "A Factory Full of Partners" in the June, 1962 edition
16 of Reader's Digest gives the answer. I will read five
17 paragraphs from this reprint of the Reader's Digest:

18 "A FACTORY FULL OF PARTNERS

19 Each of Lincoln's profit-sharing employees
20 has a direct, personal stake in the
21 success of his company, a labour management
22 record that is unique in the United
23 States industry.

24 Under the Lincoln system of incentive
25 management, workers and management strive
26 as a team to reduce all costs and create
27 savings which they share. This incentive,
28 says Lincoln, under whose direction the
29 system evolved, can double and redouble
30 production.



1 Lincoln, in 1914 became general
2 manager of the company. Calling the
3 employees together, he asked them to
4 elect representatives to advise him.
5 'I knew if I could get them to want
6 the company to succeed as badly as I did',
7 he said, 'there would be no problem
8 we couldn't solve'.

9 The advisory board tapped the intelli-
10 gence of every worker. Members met
11 every other week. No one could serve
12 two years running, so responsibility
13 was distributed among a maximum number
14 of employees. They discussed all phases
15 of the business - cost production, new
16 products, sales, employee benefits.
17 Suggestions flowed freely, and Lincoln
18 credits most of the firm's success to
19 ideas developed in this way.

20 The most important recommendation of
21 all came in 1934. Someone suggested a
22 year-end bonus for everyone. Lincoln
23 agreed - on condition that it be earned.
24 He then devised a way to ensure that the
25 bonus money, if any, was divided fairly.
26 Each employee was rated twice a year
27 by all those having accurate knowledge
28 of his work. These ratings determined
29 his share in the bonus, and his advance-
30 ment."



1 THE COMMISSIONER: Where is that company
2 establishment?

3 MR. BEVAN: Cleveland, Ohio. I have a
4 press release, which is quite short, which I will read
5 later. I can give the full address, if you would like it.
6 I have had a good deal of correspondence with them and
7 obtained some valuable information.

8 "At the end of the first year it was
9 found that after setting aside six per-
10 cent of profits for the stockholders and
11 seed money for the company's growth, a bonus
12 of 26 per cent of the year's payroll
13 was feasible. This far exceeded expecta-
14 tions in the fourth year of the Depression.
15 Lincoln reminded the cheering workers,
16 'This is not a gift from management.
17 This bonus is a result of your own
18 increased production'.

19 Continuous cost reduction and high
20 service to customers have made possible
21 the steady growth in the bonus. For the
22 past several years it has ranged between
23 80 and 100 per cent of the total payroll.

24 James Lincoln regrets the present
25 cleavage between most management and labour,
26 blames managers for past shortsightedness
27 in not sharing more with the worker.

28 'The worker has had to go to the union
29 to get the increase in standard of living
30 and status that he should have gotten



1 from management automatically', he says.
2 To prove that the teamwork that turns
3 welders into capitalists also benefits
4 consumers, Lincoln quotes figures. In
5 1934 the company's 300-ampere motor-
6 generator set, one of the most widely
7 used types of welding machine, sold for
8 \$655; today it is \$535, (30 years later).
9 In the same period, labour rates increased
10 almost fivefold, the cost of copper
11 almost fourfold, of steel sheets and
12 bars more than threefold. The rise in
13 these major cost elements was offset
14 by the individual worker's desire to
15 be efficient - a desire that resulted
16 in his developing new techniques, methods,
17 machines, designs and also new personal
18 abilities. He drove down the cost of
19 producing each unit and made possible
20 the reduced price to the customer."

21 That is the end of that article, Mr. Commissioner, and
22 I will pass this on to Mr. Pollock. I would like to
23 say that these reduction costs, which are fantastic, are
24 common in any incentive plan and I would remind you of
25 Henry Ford I, who in 1908 brought out his first model
26 T car. It was sold for \$950. Twenty years later it
27 was sold for \$295. In that period, he paid double the
28 going wage rate and built up a fortune for his family.

29 MR. POLLOCK: But not very much for his
30 employees.



1 MR. BEVAN: Only double their wages.

2 THE COMMISSIONER: He started at \$5,
3 didn't he -- \$5 a day?

4 MR. BEVAN: Yes, that was correct. He
5 kept double the wage rate of the average U.S. industry.

6 THE COMMISSIONER: You can't say that
7 he conceived his work as a partnership?

8 MR. BEVAN: No, sir, it was an incentive.
9 But as far as I am personally concerned, sir, that is
10 not the same street as Lincoln.

11 THE COMMISSIONER: No, that is all right.

12 MR. BEVAN: I will close my complete
13 submission, Mr. Commissioner, by reading a few short
14 press items relating to incentive profit projects in
15 the United States, Japan, Russia and Bulgaria. This is
16 a press release from Lincoln Electric Company which
17 I will pass through to you. It gives the address of
18 the Lincoln Company in Cleveland.

19 THE COMMISSIONER: What is the date
20 of this?

21 MR. BEVAN: The date of the release is
22 December the 12th, 1966:

23 "Mr. William Irrgang, President of The
24 Lincoln Electric Company of Cleveland,
25 Ohio, has announced that the company's
26 year-end incentive cash bonus, distri-
27 buted on December 2, totalled \$16,100,-
28 000.00. The bonus, the largest in the
29 Company's history, was paid to 1976
30 employees."



1 I would qualify that "employees," by pointing out that is
2 labour and management; they are all one team.

3 "In addition to its position as the
4 world's largest manufacturer of arc
5 welding equipment and supplies, the
6 Company has earned world-wide recogni-
7 tion in the field of industrial manage-
8 ment for its incentive pay system. The
9 system is also used on Company plants
10 in France, Canada and Australia. Mr.
11 Irrgang said he believed the system has
12 demonstrated that incentives properly
13 applied will solve many of industry's
14 problems bringing higher wages to the
15 worker, a steady return to the stockholder
16 and lower prices to the customer.

17 These benefits result, Irrgang claims,
18 from the fact that each employee knows
19 his earnings are limited only by the
20 extent of his contribution to the success
21 of the Company as a whole.

22 Each employee's contribution is evalua-
23 ted by a merit rating of his performance,
24 made twice a year.

25 An important part of the Lincoln
26 Incentive Program is Guaranteed Continuous
27 Employment. This plan guarantees workers
28 that the scheduled number of hours in
29 any workweek will at no time be less than
30 75% of the number of hours in a standard



workweek.

Mr. Irrgang stated that the Incentive Bonus Program provides the foundation for the Company's Cost Reduction Program. This program, applied in every department of the Company's operations, has reduced costs so that selling prices have been lowered in many cases, contrary to the general rising trend in price levels."

There is one here on Glasgow.

MR. POLLOCK: They are having a bit of difficulty there with their system, aren't they?

MR. BEVAN: Yes, I am afraid Britain is a very sick man.

A resume of a Reader's Digest article, dated November, 1966, Shipbuilding in Japan:

"After World War II Japan was left prostrate and her economy in ruins.

In 1965 she constructed 43% of all new ships in the world, surpassing Britain and the United States.

Average Construction Time - United States & Britain - 12 - 18 months.
Japan - 6 months.

Costs of ships in Japan are 5% to 15% lower than in Europe and 50% lower than in United States. Low costs are the result of increased efficiency of men and equipment, and the sharing



1 of incentive profits which includes
2 payments to workers of up to 5 months
3 wages per annum. The average wage for
4 ship workers is higher than in Italy
5 but lower than in Britain and the rest
6 of Europe."

7 I would like to add to that, that Britain
8 prior to World War II had 90 per cent of the world's
9 ship building. Today, she now has 7 per cent. She is
10 a sick nation.

11 I have some more recent items. One,
12 strangely enough, is from Moscow. It is dated January
13 the 18th, 1967:

14 "Soviet enterprises operating under
15 the 'new' economic system increased
16 profits 24 per cent last year, the
17 deputy chairman of the state planning
18 agency announced.

19 The reform gives enterprises more
20 freedom to respond to market needs and
21 judges their success largely by profits.

22 Deputy Chairman S. Bachurin told the
23 Labour newspaper Trud that during the
24 first full year of operation of the
25 reform, the 700 industrial enterprises
26 involved exceeded their production
27 targets 11 per cent. He said their
28 labour productivity went up eight per
29 cent, compared with five per cent for
30 the rest of the industry.



1 The reform is to be extended to more
2 enterprises this year and is to become
3 general by the start of 1968."

4 THE COMMISSIONER: That reform, you mean
5 that is incentive profit?

6 MR. BEVAN: Yes.

7 "The work of the Kremlin leaders who
8 ousted Nikita Khrushchov, it makes
9 bonuses a more important part of workers'
10 incomes to stimulate production and
11 efficiency."

12 THE COMMISSIONER: They had that for
13 some years. Wasn't Stoknovitch the principal in **piece**
14 work?

15 MR. BEVAN: This is not **piece** work.
16 What this is, is that as you build quicker and do a
17 better job, you take a share of the profits. To me,
18 these people are copying Lincoln's plan.

19 MR. POLLOCK: They have changed the
20 incentive system to a monetary reward as opposed to
21 the reversed incentive of a northern vacation in Siberia,
22 or something like that.

23 MR. BEVAN: I think, Mr. Commissioner,
24 we all see a trend in Russia, moving from the Communistic
25 state over to the Capitalistic state.

26 THE COMMISSIONER: There is no doubt of
27 that.

28 MR. BEVAN: What is frightening is that
29 these are even going a little bit faster than some
30 other countries, such as Canada.



1 I will just read this last one and then
2 make a few comments:

3 "Bulgaria. At the Bulgarian Party
4 Congress last week, Zhivkov proudly
5 detailed 'an all-round upsurge' in the
6 nation's economy - the product of a
7 quiet three-year-old reform experiment
8 that has placed 60% of Bulgaria's industry
9 on a profit-incentive basis.

10 In factories freed from the rigid
11 grip of central planning, Zhivkov
12 reported output improved and labour
13 productivity nearly tripled."

14 I have just made a few notes, sir, and
15 then I am finished.

16 To me, sir, these items are frightening.
17 Here we have 3 Eastern Nations, progressing indust-
18 rially and increasing productivity at an alarming rate
19 by adopting incentive techniques which originated on
20 this continent. What further warnings do our govern-
21 ments, our labour and management require?

22 Trade Minister Winters made a recent
23 call for a 1½ billion dollar increase in our exports
24 for 1967. Henri Joly, President of the Canadian Manu-
25 facturers' Association told the Ottawa Rotary Club on
26 the 16th of this month:

27 "We will not be able to find the foreign
28 market for our goods unless the price
29 is right. All the exhortation in the
30 world will be to no avail if governments,



1 labour and management fail to work
2 together to this end."

3 I say that collective bargaining has
4 failed, is not the answer, and I say that incentive
5 profit sharing is the only answer to making a better
6 and better product to be sold to more and more people
7 at a lower and lower price.

8 THE COMMISSIONER: How do you state
9 the particular process in which the increased efficiency
10 is obtained? I suppose many of these industries have
11 large mechanical systems to turn out work. Is it in an
12 industry of that sort that these efficiencies are
13 obtained, and if they are, in which manner?

14 MR. BEVAN: I don't know in what manner
15 they are obtained, but I do know this, that every worker
16 has a great deal of latent ability, and that is Lincoln's
17 point in bringing that out. He holds these advisory
18 boards twice a month and they all get together and
19 discuss every feature, how they can advance, what new
20 techniques they can provide, how they can improve this
21 particular operation.

22 THE COMMISSIONER: The only improvement
23 in the machine is to get the latest device, the latest
24 form of the machine. There must be considerable left
25 then for the individual to do.

26 MR. BEVAN: That is correct, sir. It
27 is leaving it to the ability of the worker.

28 THE COMMISSIONER: What about the hours
29 of work? What is the standard of Lincoln?

30 MR. BEVAN: The standard of Lincoln is



1 48 hours and he guarantees 32. He guarantees 32
2 continuously.

3 THE COMMISSIONER: Yes, but I mean the
4 actual work?

5 MR. BEVAN: I feel guaranteeing a worker
6 a continuity of employment is a very important part of
7 his living.

8 THE COMMISSIONER: I quite agree. In
9 the next place you mentioned the 6 percent allocation
10 to dividends.

11 MR. BEVAN: Yes.

12 THE COMMISSIONER: Is that a maximum?

13 MR. BEVAN: No, I would not think so.
14 I don't know how he distributes it, but I do know he
15 started off with 6 per cent.

16 THE COMMISSIONER: In the early stages
17 of the industry?

18 MR. BEVAN: Yes, in 1934.

19 THE COMMISSIONER: Well when was it
20 established?

21 MR. BEVAN: In 1934.

22 THE COMMISSIONER: Then from the beginn-
23 ing this scheme has **applied**, has it?

24 MR. BEVAN: Yes, this incentive product
25 was 1934. One of these advisory committees said, "How
26 about a bonus for the end of the year?" And he jumped
27 on the idea and said "Yes, providing you earn it".

28 THE COMMISSIONER: On what basis do they
29 determine the extent of the bonus, not to the individual
30 but the total?



1 MR. BEVAN: I don't know how they figure
2 the profits. I have here the merit rating process and
3 everything else.

4 MR. POLLOCK: Who does the merit rating,
5 as a matter of interest? Is it somebody that we could
6 normally call management or is it a cooperative process?

7 MR. BEVAN: Cooperative process. If
8 you so desire --

9 MR. POLLOCK: No, just briefly can you
10 tell me?

11 MR. BEVAN: Yes, I can. The size of
12 the total bonus pool is set by the Board of Directors
13 after taxes, reserves and dividends have been deducted
14 from the gross profits.

15 THE COMMISSIONER: Now, does that leave
16 any additional amount for shareholders, above the 6 per
17 cent or is the 6 per cent the limit?

18 MR. BEVAN: The 6 per cent is for the
19 dividends.

20 THE COMMISSIONER: But is it the limit?

21 MR. BEVAN: I would not say it is the
22 limit. I don't know, but I would say as money went up
23 I think Lincoln would have enough good sense --

24 THE COMMISSIONER: In the 33 years that
25 that company has been in existence, it has increased
26 tremendously its total production, hasn't it?

27 MR. BEVAN: Fantastic.

28 THE COMMISSIONER: Why has that system
29 not been adopted to any considerable degree by any
30 other industries in the United States?



1 MR. BEVAN: I cannot answer that.

2 THE COMMISSIONER: Well, if it hasn't,
3 I am wondering why? Why not? Or, if it seems that
4 those facts are known to industry generally - and I
5 assume they will be - then it is either generally that
6 they are not satisfied with the 6 per cent and even a
7 plus or there is a barrier of some sort. It may be in
8 those who originate the undertaking, that they won't
9 be bothered, they are not going to admit partnership
10 at all.

11 MR. BEVAN: It would seem to me that
12 if the scheme were adopted here, there is no reason
13 why the stockholders should not get more than the 6 per
14 cent.

15 THE COMMISSIONER: I suppose they would
16 want, not only the 6 per cent, but the great part of
17 what is given to labour.

18 MR. BEVAN: That is correct, that is
19 where the problem comes in.

20 THE COMMISSIONER: That is what is hold-
21 ing the rest back, I suppose.

22 MR. BEVAN: That is right, and that is
23 why labour just sits tight and acts on a slow-down basis.
24 They could give much more, I am convinced.

25 MR. POLLOCK: What is the corporate
26 structure of Lincoln? Who owns the shares?

27 MR. BEVAN: There are a considerable
28 number of shares held by the workers themselves, the
29 employees. I don't know the corporate structure.

30 MR. POLLOCK: Is it a private company?



1 MR. BEVAN: It started off as a private
2 company, yes. It started off with just a few men,
3 about 1897.

4 MR. POLLOCK: It is a family affair.
5 Mr. Lincoln, before he died, owned the controlling
6 interest?

7 MR. BEVAN: I would presume so, yes.
8 I don't know definitely.

9 MR. POLLOCK: Would he, as President,
10 share in the profit-sharing as well?

11 MR. BEVAN: No. It makes it very clear
12 here that all employees share, participate in the profit-
13 sharing except the President and the Chairman of the
14 Board.

15 MR. POLLOCK: Their salaries are fixed
16 by themselves?

17 MR. BEVAN: That is correct, yes.

18 MR. POLLOCK: And out of all the money,
19 after they remove the taxes and the profit, there is
20 another sum that is removed, the reserve. Who determines
21 how much the reserve is going to be?

22 MR. BEVAN: I presume the top manage-
23 ment, the President and the Board would determine the
24 reserves and taxes.

25 MR. POLLOCK: So that the size of the
26 so-called pot to be divided --

27 MR. BEVAN: Bonus pool.

28 MR. POLLOCK: ... is regulated by
29 management?

30 MR. BEVAN: Yes.



1 MR. POLLOCK: More or less arbitrarily?

2 MR. BEVAN: Yes. But from the bonus
3 each year it appears to have been - well, they state
4 categorically that the last several years it has been
5 between 80 per cent and 100 per cent of the total
6 payroll. That, in itself, is quite a sum.

7 MR. POLLOCK: Between 80 and 100 per
8 cent of what?

9 MR. BEVAN: Of the total payroll.

10 MR. POLLOCK: What is the payroll before
11 the incentive bonus? How much money does the man
12 make in a year before he gets his bonus?

13 MR. BEVAN: I don't know, but coming
14 to this year the total payroll, amongst 1,976 employees
15 was \$16,100,000. Now, call that 2 thousand. That
16 means that the average salary would be \$8,000 a year.

17 MR. POLLOCK: So that he would get
18 \$16 thousand a year, they would double that?

19 MR. BEVAN: Depending upon his merit
20 rating.

21 MR. POLLOCK: Well, if 100 per cent
22 of his salary --

23 THE COMMISSIONER: What you mean is
24 that the total wages have doubled?

25 MR. BEVAN: The total pool is \$16,100,000
26 and this particular year was also the pay-out in wages.

27 THE COMMISSIONER: So you would have
28 \$33 million distributed?

29 MR. BEVAN: Yes. One was distributed
30 on a weekly basis.



1 THE COMMISSIONER: I know but that is
2 the amount of money that went out to the employees.

3 MR. BEVAN: That is correct. Now, a
4 man in the lower echelon, let us say he is a labourer
5 that carries the materials from the freight cars into
6 the worker, the productivity worker, the man who does
7 the specialized jobs, carries that to him. He would
8 be rated a low, say, of 50 per cent.

9 THE COMMISSIONER: What would be the
10 difference between that mode of rating and the amount
11 of wages?

12 MR. BEVAN: The point is, he gets the
13 50% on his wages. I would like to make this clear.

14 MR. POLLOCK: If his wages - the point
15 I would like to have clarified is: If his wages are
16 low then 100 per cent of his wages --

17 MR. BEVAN: That is right.

18 MR. POLLOCK: That is not very much.
19 If he is getting \$2,000 a year in salary and he gets 100
20 per cent bonus on top of that, he gets \$4,000 and he
21 is still well below everybody else, although as far as
22 the incentive bonus is concerned, he has got 100 per
23 cent.

24 MR. BEVAN: I think you are a little
25 bit off, Mr. Pollock.

26 MR. POLLOCK: Well, can you give me
27 an average of what the average worker in the plant would
28 make under the most favourable conditions compared to
29 the general standard of people employed in that industry?

30 MR. BEVAN: They make the statement



1 categorically - and I accept it for what it is worth -
2 that they pay the prevailing wage rate for the corres-
3 ponding job in the Cleveland area. Now, that means
4 the \$2,000, I don't know who would be paying that kind
5 of wages now --

6 THE COMMISSIONER: Are they all male
7 employees?

8 MR. BEVAN: No, there are office
9 employees too. They all participate.

10 MR. POLLOCK: They pay the prevailing
11 wage rate?

12 MR. BEVAN: Yes.

13 MR. POLLOCK: That would mean these
14 employees, if they are getting 100 per cent bonus, would
15 be making twice as much as the average.

16 MR. BEVAN: Absolutely.

17 MR. POLLOCK: It is a pretty good firm,
18 I think, if they can afford to do that.

19 MR. BEVAN: It certainly is. I have
20 an article here, from Chemical Engineering, one of the
21 biggest magazines in the United States, copyright McGraw
22 Hill. To get answers they made a visit to the Lincoln
23 Company on "Does Profiteering Pay Off". It was to
24 check engineers. Take an engineer getting \$10 thousand
25 a year just roughly. He is quite creative and I can
26 see no problem in an engineer being rated at 150. The
27 average merit rating ranges between 50 and 150. Now,
28 I can see a lot of men getting the 150 rating. That
29 means that that engineer, in December, when this was
30 announced, walks away not only with his \$10 thousand



1 that he has been collecting for the year, but \$15 thousand
2 as a bonus.

3 MR. POLLOCK: All you are saying, really,
4 is that the Board of Directors has the power to increase
5 his salary by whatever size of merit rating they want to
6 make.

7 MR. BEVAN: No, I don't say the Board
8 of Directors, sir.

9 MR. POLLOCK: They are the ones that
10 determine the merit rating, aren't they?

11 MR. BEVAN: Oh, no. Would you like me
12 to run down the merit rating, how it is produced? I
13 think it is quite important. When this fellow got up,
14 in 1934 and said "How about giving us a bonus at the
15 year end?", Mr. Lincoln stated then and there "We will
16 do it providing you earn it and we will also devise a
17 way of making it fair". Now, they set up an excellent
18 method, in my humble opinion. If I am permitted, I
19 would like to go over it. Have I your permission, Mr.
20 Commissioner, to just run over this merit rating?

21 THE COMMISSIONER: Yes, if you desire.

22 MR. BEVAN: It is very important. I
23 think it will clarify a lot of points. Twice a year
24 employees receive a set of four merit rating cards which
25 show each worker, his general performance on the job.
26 There are 4 basic rating, equally weighted factors used.
27 They are (1) supervision required, (2) workmanship and
28 attitude towards quality (3) output, (4) ideas and
29 cooperation. Now, these cards are used with every
30 employee from the engineers down to the floor sweepers.



1 The worker's foreman rates him on super-
2 vision required. The production department rates him
3 on the output. Inspection department rates him on the
4 workmanship and the methods department rates him on
5 ideas and cooperation. You see, this is not done by
6 top management: It is done by the middle management
7 class.

8 MR. POLLOCK: Management, though.

9 MR. BEVAN: Management, yes.

10 If a worker feels he is not getting a
11 fair shake, he can take it up to a higher level.

12 MR. POLLOCK: What happens then?

13 MR. BEVAN: It is investigated.

14 MR. POLLOCK: There is no grievance
15 feature or processing - if he doesn't like it he just
16 lumps it, I suppose, or leaves?

17 MR. BEVAN: He doesn't leave because I
18 have cards here which I will turn over to you. They
19 are prints showing that the Lincoln Company has the
20 lowest turn-over rate in the whole of the States - less
21 than one-half of one per cent per month, as compared
22 to the industrial rate of 4 per cent.

23 MR. POLLOCK: How many employees do
24 they have?

25 MR. BEVAN: 1,976 - 220 more than last
26 year. It is a progressive company.

27 THE COMMISSIONER: Have they public
28 shares on the market? Are they listed anywhere?

29 MR. BEVAN: Not that I know of, sir.
30 I have not been over to the Lincoln Company. I intend



1 to go at the earliest opportunity. I think they are
2 setting up something that a lot of us have got to follow.

3 THE COMMISSIONER: Have there been any
4 companies that you know of, which have followed that
5 method?

6 MR. BEVAN: No, sir, except those few
7 that I read out to you - foreign companies, which I say
8 is frightening that these companies are getting on,
9 increasing their productivity and we are standing
10 practically flat.

11 MR. POLLOCK: Don't you think that one
12 of the basic requirements that makes such a system
13 viable, is the fact that management has to be fair and
14 just and all these other good qualities that we recognize
15 today?

16 MR. BEVAN: Yes, absolutely.

17 MR. POLLOCK: Don't you think if manage-
18 ment was fair and just in all the circumstances that
19 collective bargaining will work just as well?

20 MR. BEVAN: No.

21 MR. POLLOCK: Well, management was
22 fair and just, in your estimation, in the Manitoba
23 situation here, and I am certain they are under a
24 collective agreement.

25 MR. BEVAN: That was not collective
26 bargaining.

27 MR. POLLOCK: They cooperated, though.

28 MR. BEVAN: They cooperated.

29 MR. POLLOCK: They cooperated in the
30 sphere of collective bargaining. Collective bargaining



1 doesn't always mean you are going on strike. There are
2 a lot of agreements that are negotiated in good faith,
3 aren't there?

4 MR. BEVAN: I cannot see collective
5 bargaining at any price. Collective bargaining between
6 partners seems to me to be a fantastic situation. It
7 is like having a man and wife, they are a team, with
8 collective bargaining between them. This is unnecessary.

9 THE COMMISSIONER: It is just what you
10 do and what we have all done. When we were young, we
11 went out, we had to assume responsibility and we
12 approached the management of some activity, which would
13 enable us to earn money and we began to negotiate. We
14 began to bargain. "How old are you?" "I am so much
15 old". Question: "What is your training?" Answer: "I
16 am able to do so and so" and the answer is: "Well, I
17 will pay you so much money". That is the beginning of
18 bargaining. It has been formalized, somewhat but,
19 after all, if you have one person owning property and
20 another person owning skill, it is quite true their
21 association can be looked upon, and very properly so,
22 as a partnership. The bargaining is inevitable. You
23 must find out the terms under which you give your
24 capacity to work to the working of particular property.

25 MR. BEVAN: You must do that, you are
26 right, if you accept the principle that labour and
27 management are two opposite teams.

28 THE COMMISSIONER: I would not say
29 they are opposite at all. I object to the use of the
30 term "competitors" in the sense of hostile competitors



1 with opposing interests. I agree their interest is one,
2 but you have two human beings and one must approach the
3 other. The other has the means of work in the machine
4 sense or the money sense; the other has the means of
5 work in the sense of personal activity, personal
6 management, personal operation. So, you cannot escape
7 that.

8 MR. BEVAN: But neither of them can
9 escape the fact that both of them are there for one
10 thing, to provide a service or a product for a consumer,
11 and they can only do it by a cooperative spirit and
12 when you get men like Jodoin calling for cooperation,
13 calling for a further study, a university study of
14 this collective bargaining, and when you have most of
15 your labour leaders telling you that the section of
16 compulsory arbitration is wrong in your collective
17 bargaining, then there must be something to my statement
18 that it does not work.

19 THE COMMISSIONER: How many hearts
20 have you touched among the people who own the plants
21 to yield to that conception?

22 MR. BEVAN: I only go by what I can
23 pick up in the press, which is considerable, and I
24 thank the press for all they have ever given me.

25 MR. POLLOCK: But you have got, in
26 Mr. Lincoln, one swallow: It is still pretty cold out.

27 MR. BEVAN: No, when I see other
28 countries following Mr. Lincoln's incentive program,
29 then I am frightened.

30 MR. POLLOCK: Well, aren't they following



1 it? The incentive scheme is not universally Mr. Lincoln's.

2 MR. BEVAN: No, I grant that.

3 MR. POLLOCK: I think the incentive
4 scheme is used as the basis of some of the collective
5 bargaining agreements.

6 MR. BEVAN: What emphasizes the fact
7 is that I read out two communist countries who, regulated
8 by state planning, by communistic ideas, have gone
9 over to this incentive bargaining.

10 THE COMMISSIONER: What is the relation
11 of management to men in those countries?

12 MR. BEVAN: I have no idea.

13 THE COMMISSIONER: It makes all the
14 difference in the world. If they are in a position to
15 impose that upon the men, well, you have one situation.
16 If they leave it to the men, as it is done, say, in this
17 country, and certainly in the United States, leave it to
18 the men to decide themselves and act independently of
19 the other, then you get a different situation which
20 does not lend itself to that. It is very easy for the
21 Russian government in its state industry to say: "Here
22 is the scheme we are going to adopt. We are going to
23 give you an incentive. We fix your wages. We fix the
24 incentive. Now, you produce." We are trying to bring
25 about that same result by the voluntary action of the
26 men on both sides. Unfortunately, apparently, although
27 Mr. Jodoin would like to see the conception of partner-
28 ship, he is not receiving many invitations to join.

29 MR. BEVAN: I see changes, Mr. Commissioner,
30 vast changes. It was not too long ago that Mr. David



1 Lewis, who was counsel for unions for many years, Mr.
2 Eugene Forsey, who was counsel for Canadian Labour
3 Congress, stated that no longer should there be strikes
4 by hospitals, public utilities and railways. This is an
5 entirely new approach. We never had this before.

6 THE COMMISSIONER: What did Mr. Jodoin
7 say to that?

8 MR. BEVAN: I have no idea.

9 THE COMMISSIONER: I think I can tell
10 you: He rejects it.

11 MR. BEVAN: He wants everybody to strike?

12 THE COMMISSIONER: He wants to retain
13 the power to strike.

14 MR. BEVAN: Then, I say, that is wrong.
15 I say the consumer's interest should come first. He
16 pays the shot and, therefore, he should be the first
17 consideration, but apparently, in this society of ours,
18 that is not the case. We have got this management and
19 labour fighting all the time and it is to the detriment
20 only of the consumer. I say that when a railway strikes
21 -- and I was in on one -- when a railway strikes or when
22 we had the two railways striking in 1950, they practically
23 say to 20 million people, "Stay put . We will not pro-
24 vide you with any materials for your industries, or
25 with food. If you can get it by some other means, okay."
26 It was not so good in 1950, but now, just a few months
27 ago, there is a change and that is why Messrs. David
28 Lewis and the other gentleman, Forsey, come up and say
29 "It is wrong. Society cannot stand these **strikes**".

30 THE COMMISSIONER: Well, we can agree



1 with you but that does not change the fact that this
2 large body of men, who are ordinary first rate citizens
3 of this country, **don't agree with that.** They say
4 "You are imposing upon our liberty of action". The
5 problem is to change that conception, if it is desirable.

6 MR. POLLOCK: Perhaps I am essentially
7 a prognostic, Mr. Bevan, and I would like to know, in
8 the absence of those areas where management has taken
9 the position that it is going to cooperate -- and I can
10 immediately think of Domtar where they have a cooperative
11 arrangement with all the unions they deal with and
12 discuss these things with; it has not got too far off
13 the ground -- but how do you lower this wall that exists
14 between management and labour if you say to the unions,
15 "Don't get together and knock it down". How are you
16 going to compel management to take it down?

17 MR. BEVAN: I haven't quite got the gist
18 of that.

19 MR. POLLOCK: I am sure there must be
20 some technique in the back of your mind, apart from the
21 general education of management, and the general education
22 of the community, which is going to **precipitate** this
23 great change in benevolence. I assume it is legislation,
24 is that right?

25 MR. BEVAN: Yes. Do you not think
26 legislation can do this?

27 MR. POLLOCK: I don't know. I would
28 like to hear what you have to suggest as to what form
29 of legislation you contemplate.

30 MR. BEVAN: I would like to do that, Mr.



1 Pollock. This, I think, would be of great interest.

2 You may have heard of it -- the Vallon Amendment.

3 MR. POLLOCK: In France?

4 MR. BEVAN: Yes. This is just a short
5 article and it is headed "Share the profits? Mon Dieu,
6 non". Paris:

7 "Louis Vallon, an officer of the national
8 assembly's powerful finance committee
9 proposed an amendement called the Vallon
10 Amendement which would cut workers in
11 on company profits"

12 This is something drastic for France.

13 "The amendment which passed, instructed
14 the government to guarantee that workers
15 participate in the increased financial
16 returns from plant investment. This
17 is sought to achieve the long cherished
18 dream of left-wing Gaullists to end the
19 class struggle without resorting to
20 socialism."

21 Now, this is the point that you face,

22 Mr. Pollock:

23 "This would be accomplished by forging
24 by law a common interest among management
25 and workers in plant expansion."

26 They intend to do it in France by law.

27 MR. POLLOCK: But how do they do it?

28 What are the words they put in the statute?

29 MR. BEVAN: Well, I am not a legislator.

30 I am not a lawyer. I am just an ordinary, common retired



1 old citizen, and I am sure we will learn when this goes
2 into effect.

3 MR. POLLOCK: To your knowledge, there
4 doesn't exist any yet?

5 MR. BEVAN: No, but I will call to your
6 ---

7 THE COMMISSIONER: At least you say this
8 is indicative of the tendency to change the attitude?

9 MR. BEVAN: Yes.

10 THE COMMISSIONER: It depends upon the
11 attitudes of men and women. What is their attitude
12 towards themselves? Their demands? At the present
13 time they tell government to keep its hands off, "Leave
14 us alone. We know how to settle these things. We will
15 put up the big stick or we will mass people and intim-
16 idate or do anything at all to get what we think is
17 our fair share".

18 MR. BEVAN: That is true and I don't
19 hold with it.

20 THE COMMISSIONER: I know but when you
21 have 99 per cent of the people saying yes, the
22 still small voice of one which says no is not at
23 that moment very effective.

24 MR. BEVAN: I grant you that, sir, and
25 I realize that all I am saying here will not probably
26 be very effective, but I am getting it off my chest
27 because I am fed up to the hilt with strike, strike,
28 strike, and "the consumer," as I have mentioned here,
29 "be damned."

30 THE COMMISSIONER: I don't think anyone



1 would enter into a violent disagreement with you.

2 MR. POLLOCK: Least of all, the people
3 on strike.

4 THE COMMISSIONER: There is no doubt
5 in the world that we are very far from even the shadow
6 of Eutopia, but what puzzles me is that unless we have
7 a very extraordinary breed of steel hearts in the United
8 States, it is a wonder this has not been more widely
9 adopted. They claim to be the most generous people in
10 the world, and in many respects they are from the point
11 of view of quantity, of assistance, but why are there
12 not more men like Lincoln?

13 MR. BEVAN: I could not tell you that,
14 sir. I would like to see more men like Lincoln. I
15 think we will get more men like Lincoln. How legislation
16 will take care of it I don't know, but I made a few
17 notes and I say, surely it would not be too difficult
18 for governments to bring in legislation which will
19 follow the principles of democracy and unite these two
20 parties, labour and management, for the good of all
21 society. I started to compare this to what I think is
22 a far more difficult task in legislation, and I refer
23 now to something that is very alive at this moment.
24 We are, in parliament, talking of legislation to control
25 United States investment in Canada. Here we are control-
26 ling, or at least legislating for a foreign company
27 how it will operate in our country. That, to me, is
28 difficult.

29 MR. POLLOCK: What is difficult about
30 it in the sense that all you have to do is say that the



1 foreign company has to do the same things that the
2 Canadian company has to do?

3 MR. BEVAN: Well, how difficult is it,
4 then, to take two factions in your own country and
5 legislate for them? Mr. Commissioner, did you
6 not say that all legislation was coercion, in one of
7 your hearings here?

8 THE COMMISSIONER: In a sense, it is.
9 All law is coercion.

10 MR. BEVAN: Then, let us have some
11 coercion for the benefit of the whole country.

12 THE COMMISSIONER: But the answer is,
13 it is not for the benefit -- it is for the detriment --
14 that is a matter of opinion. It is a detriment against
15 the benefit.

16 MR. POLLOCK: I can think that probably
17 in a large measure, a lot of the combines that exist
18 or existed in Canada and that the trusts that existed
19 in the United States, their cry was "It certainly
20 increases the efficiency of the operation". They were
21 bust because the general advantage of the country was
22 in danger.

23 THE COMMISSIONER: I wish you would
24 answer this question for me. The greater the automation
25 the less chance there is for increased efficiency -
26 machines are pretty much the same and if all the factories,
27 for a given purpose have the same machine, wherein
28 does the great opportunity for increased efficiency,
29 one over the other, lie?

30 MR. BEVAN: Where does the automation



1 come from in the beginning?

2 THE COMMISSIONER: It generally comes
3 from an inventive mind.

4 MR. BEVAN: That is true. Why take
5 thousands of workers, they are the same stock as
6 management, why take those thousands of workers and
7 keep them in more or less intelligent subjection?

8 THE COMMISSIONER: I don't think anybody
9 would seriously object to your view which implies that
10 there ought to be a sort of running association, a
11 discussion of the course of action that is to be taken
12 on the part of both management and the men. That is
13 present in cases here in this country.

14 MR. BEVAN: Correct, sir.

15 THE COMMISSIONER: So, I don't think
16 there is any objection to that except on the part of
17 the men who say "This is my plant and it isn't yours
18 and leave me alone".

19 MR. BEVAN: But Lincoln was not that
20 type and he did just that thing. He set up an advisory
21 board in the year 1914 and he got the brains, the
22 intelligence of every worker in the plant, to help.

23 THE COMMISSIONER: I think we will have
24 to wait until we get further advanced in medicine to
25 control the biological production.

26 MR. POLLOCK: How many competing firms
27 exist today in the arc welding field?

28 MR. BEVAN: According to the information
29 I have, he runs up against some very stiff competition
30 from Union Carbide, a bigger firm altogether than



1 Lincoln.

2 MR. POLLOCK: Do they manufacture arc
3 welding equipment?

4 MR. BEVAN: Oh, yes, and I have tables
5 which I will turn over to you sir. Some of the gains
6 in productivity, in spite of the increased cost of
7 material, they are just fantastic from the year 1934.
8 This is an index of Lincoln worker compensation. The
9 compensation drops from 100 in '38 to 82.9 while workers
10 compensation is up 700, finished steel 300. Some of
11 these titles are just fantastic insofar as the ability
12 to increase productivity is concerned.

13 THE COMMISSIONER: Are you able to
14 compare any total wages of the Union Carbide with the
15 total received here in the Lincoln?

16 MR. BEVAN: No, sir, I have not. I have
17 wages here of the Lincoln Electric Company compared to
18 all manufacturers throughout the years 1945 and every
19 year right up to 1964.

20 MR. POLLOCK: Have you got the average
21 pay per employee?

22 MR. BEVAN: Yes.

23 MR. POLLOCK: What is it?

24 MR. BEVAN: Which year do you want?
25 It started off with 1945. It was \$21,879. This was
26 the productivity per worker.

27 MR. POLLOCK: I want to know what the
28 take home pay, including bonus, is at the end of the
29 year for the employee of Lincoln Electric, compared to
30 the average employee in a comparable business in the



1 United States.

2 MR. BEVAN: I haven't got that but I
3 did state that the Lincoln employee gets the average
4 wage, the wage that all industry gets in that area,
5 but when it comes to sharing, the bonus, then his salary
6 is away up - anything from 50 to 150 per cent.

7 MR. POLLOCK: Do you think it is possible
8 to obtain those figures for us?

9 MR. BEVAN: Yes, I think I could.

10 MR. POLLOCK: I would be obliged to
11 receive them.

12 MR. BEVAN: If you will specify exactly
13 what you require.

14 MR. POLLOCK: I am interested in the
15 average wage of a production employee of Lincoln Electric,
16 his salary - basic salary, plus the average bonus or
17 the last year's profit sharing and a comparison as to
18 how it compares to the average in the same industry,
19 the take-home pay. If it is not too inconvenient to
20 get that information.

21 MR. BEVAN: Nothing is too inconvenient
22 to get this mess straightened out, Mr. Pollock, because
23 to me, it is a mess.

24 THE COMMISSIONER: Well, we are very
25 much obliged to you for raising this question. I
26 think, it seems to me, to be sufficiently important
27 to find out more detail, to see what has held that down
28 to almost a single enterprise. Now, I know there are
29 others --

30 MR. BEVAN: I have some figures but I don't



1 seem to find them. I have some which I remember and
2 one is that there are 1,400,000 workers in the United
3 States who are under the incentive bonus plan.

4 THE COMMISSIONER: Out of how many
5 millions?

6 MR. BEVAN: Oh, I don't know offhand.
7 I think it would be 70 to 80 million and that bonus
8 payments to date, in these incentive plans, have amounted
9 to \$1,300,000,000. Those figures stick in my mind. I
10 have them in a book from Lincoln but I don't appear to
11 have it here.

12 MR. POLLOCK: Do they have the normal
13 fringe benefits that everybody else would get, the
14 pension plan and all those other things?

15 MR. BEVAN: Absolutely.

16 MR. POLLOCK: That is on top of the
17 bonus?

18 MR. BEVAN: Would you like those sent
19 along too?

20 MR. POLLOCK: I would like to know,
21 the figure that you finally provide me, what it consists
22 of and as it compares with the equivalent outside.

23 MR. BEVAN: I will be glad to send that
24 along. Would you like me to send these along - this
25 Factory Full of Partners - this Reader's Digest?

26 MR. POLLOCK: Yes.

27 MR. BEVAN: I would like to photostat it
28 first and then I will send it along in the mail and I
29 would like to photostat for you, those items, recent
30 news items which I read within the last week in regard



1 to those two communist countries that are in the incen-
2 tive program.

3 MR. POLLOCK: Those will be reproduced
4 for you in the transcript so there will be no doubt
5 about it.

6 MR. BEVAN: Well, I have nothing to
7 do except keep busy and, as I told you, Mr. Pollock,
8 I had four years in council, that kept me out of mischief
9 and I still intend to dig into this thing.

10 THE COMMISSIONER: I think it would be
11 highly beneficial to our community if more retired
12 people would do some of the work you have been doing.

13 MR. BEVAN: I am enjoying it, Mr.
14 Commissioner. It has been quite a pleasure and I wish
15 to thank you for your hearing.

16 THE COMMISSIONER: We will adjourn
17 until 10:00 o'clock tomorrow morning.

18 ---At 3:10 p.m., the Hearing adjourned until 10:00
19 a.m., on Thursday, 26th January, 1967.
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BINDING SECT. OCT 20 1967

